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CALL TO ORDER

[Time: 00:00:03]

Mayor Lane: GOOD AFTERNOON, EVERYONE. THANKS FOR BEING HERE. I'D LIKE TO CALL TO ORDER OUR SPECIAL MEETING OF SEPTEMBER 17, 2013 AT APPROXIMATELY 4:00. I'LL START WITH THE ROLL CALL, PLEASE.

ROLL CALL

[Time: 00:00:16]

City Clerk Carolyn Jagger: THANK YOU, YOUR HONOR. MAYOR JIM LANE.

Mayor Lane: PRESENT.

Carolyn Jagger: VICE MAYOR SUZANNE KLAPP.

Vice Mayor Klapp: HERE.

Carolyn Jagger: COUNCILMEMBERS VIRGINIA KORTE.

Councilmember Korte: HERE.

Carolyn Jagger: BOB LITTLEFIELD.

Councilman Littlefield: HERE.

Carolyn Jagger: LINDA MILHAVEN.

Councilwoman Milhaven: HERE.

Carolyn Jagger: GUY PHILLIPS.

Councilman Phillips: PRESENT.

Carolyn Jagger: AND DENNIS ROBBINS.

Councilman Robbins: HERE.

Carolyn Jagger: CITY MANAGER FRITZ BEHRING.

Fritz Behring: HERE.

Carolyn Jagger: CITY ATTORNEY BRUCE WASHBURN.

Bruce Washburn: HERE.

Carolyn Jagger: CITY AUDITOR SHARRON WALKER.

Sharron Walker: HERE.

Carolyn Jagger: AND THE CLERK IS PRESENT.

Mayor Lane: OF COURSE IS THE CITY TREASURER CANDIDATES PRESENTATIONS AND INTERVIEWS. IF NEEDED A MOTION TO RECESS. WE ARE STARTING WITH THE FIRST ITEM AND STARTING WITH BRUCE DAVIS.

ITEM 1 – CITY TREASURER CANDIDATE PRESENTATIONS AND INTERVIEWS

[Time: 00:01:40]

Human Resources Executive Director Bruce Davis: GOOD EVENING MAYOR, MEMBERS OF THE CITY COUNCIL. MY NAME IS BRUCE DAVIS, EXECUTIVE DIRECTOR OF HUMAN RESOURCES. I'M HERE THIS EVENING TO ADDRESS AGENDA ITEM ONE, CITY TREASURER CANDIDATE PRESENTATIONS AND INTERVIEWS. MY JOB IS TO INTRODUCE THE THREE FINALISTS WHO HAVE MADE IT THROUGH THE RECRUITMENT PROCESS. THESE CANDIDATES HAVE HAD THE OPPORTUNITY TO MEET WITH YOU OVER THE PAST TWO DAYS AND TONIGHT THEY WILL GIVE A BRIEF PRESENTATION EXPLAINING WHY THEY ARE THE BEST CANDIDATE, AND WHY THEY'RE INTERESTED IN SERVING AS SCOTTSDALE'S CITY TREASURER. EACH CANDIDATE WILL HAVE UP TO 15 MINUTES TO INTRODUCE THEMSELVES AND DELIVER THEIR PRESENTATIONS. AFTERWARDS COUNCIL MAY ASK QUESTIONS IF THEY CHOOSE. IN TERMS OF PROCESS, THE PRESENTATIONS WILL BE TIMED SO THAT EACH CANDIDATE HAS NO MORE THAN 15 MINUTES TO ADDRESS COUNCIL AND THE PUBLIC. ONLY ONE CANDIDATE WILL BE IN THE

KIVA AT A TIME, THE OTHER TWO WILL BE SEQUESTERED. AFTER THE THREE PRESENTATIONS HAVE BEEN COMPLETED, ALL CANDIDATES WILL BE BROUGHT BACK TO THE KIVA FOR THE COUNCIL'S FINAL DETERMINATION. THAT BEING SAID, I WOULD LIKE TO INTRODUCE THE FIRST CANDIDATE. THE FIRST CANDIDATE THIS EVENING IS DOUGLAS ALLEN. MR. ALLEN HAS 17 YEARS OF PROGRESSIVE MANAGEMENT EXPERIENCE IN GOVERNMENT FINANCE, ADMINISTRATION, AND VARIOUS LEVELS OF SUPERVISORY AND DEPARTMENT HEAD ROLES. MR. ALLEN IS CURRENTLY THE FINANCIAL OPERATIONS OFFICER FOR THE SALT RIVER-PIMA-MARICOPA INDIAN COMMUNITY EDUCATION DIVISION. HE HAS ALSO HELD POSITIONS WITH YUMA COUNTY AS ITS DEPUTY COUNTY ADMINISTRATOR AS WELL AS ITS DIRECTOR OF FINANCE. HE'S ALSO WORKED AT THE TOWN OF BUCKEYE AS DIRECTOR OF ADMINISTRATIVE SERVICES AND THE CITY OF NORTH CHICAGO AS ITS ACCOUNTING MANAGER. SOME OF THE HIGHLIGHTS OF MR. ALLEN'S CAREER INCLUDE MANAGING A \$273 MILLION BUDGET IN YUMA COUNTY, INTRODUCING THE CONCEPT OF MULTI-YEAR FINANCIAL PLANNING, RECEIVING THE TOWN OF BUCKEYE'S FIRST GOVERNMENT FINANCE OFFICER'S ASSOCIATION AWARDS FOR COMPREHENSIVE ANNUAL FINANCIAL REPORTS FOR 2005, 2006 AND 2007, AND FOR THE TOWN'S BUDGET IN FISCAL YEAR 2006/2007 AND 2007/2008. MR. ALLEN HAS A BACHELOR OF ARTS DEGREE IN ACCOUNTING WITH A MINOR IN ECONOMICS FROM CARTHAGE COLLEGE IN KENOSHA, WISCONSIN AND IS A CERTIFIED PUBLIC ACCOUNTANT. MAYOR AND MEMBERS OF THE COUNCIL, MR. DOUGLAS ALLEN.

Mayor Lane: THANK YOU MR. DAVIS. MR. ALLEN, WELCOME. BEFORE YOU BEGIN MR. ALLEN, I WOULD JUST LIKE TO MAKE A COMMENT WITH REGARD TO THE PUBLIC WHO MAY BE WATCHING THIS PRESENTATION OF COURSE. JUST TO LET THE PUBLIC KNOW THAT EACH OF THESE CANDIDATES HAS MET WITH EACH COUNCILMEMBER INDIVIDUALLY AND DISCUSSED THE POSITION, THEIR RESUME AND THEIR BACKGROUND AND THEIR DESIRES FOR THE POSITION FRANKLY AND MOVING FORWARD IF THEY WERE TO BE SELECTED. SO THIS PROCESS HAS BEGUN AND WE'VE GONE THROUGH A NUMBER OF STEPS ALREADY, BUT WE DEFINITELY DO WANT TO BE SURE THAT WE HAVE THESE PRESENTATIONS IN A PUBLIC FORUM SO THERE IS AN UNDERSTANDING OF THE CANDIDATES THAT ARE BEFORE US, AND WE LIKELY WILL HAVE SOME QUESTIONS TO ASK OF EACH OF THE CANDIDATES.

[Time: 00:04:49]

Douglas Allen: I WOULD JUST LIKE TO SAY THAT THIS HAS BEEN A LONG JOURNEY, SEARCH AND PROCESS. IT IS A BIG DECISION FOR THE CITY. ALSO AS COMPARED TO OTHER PROCESSES I'VE BEEN THROUGH, THIS ONE HAS BEEN A LOT MORE SOPHISTICATED AND I APPRECIATE IT AS A CANDIDATE. YOU ACTUALLY KNEW WHAT WAS GOING TO HAPPEN BEFORE IT OCCURRED, WHICH WAS A TESTAMENT TO THE H.R. DEPARTMENT. I WAS HONORED TO BE PART OF THE PROCESS. JUST AS A SIDE NOTE, JUST AS THIS POSITION WAS OPENING UP, I WAS BEING OFFERED ANOTHER POSITION THROUGH A COUNTY IN ARIZONA. BUT I DID WANT TO HAVE THE OPPORTUNITY TO AT LEAST APPLY FOR THIS POSITION SO I GRACIOUSLY THANK YOU ALL FOR GIVING ME THAT OPPORTUNITY AND I DO APPRECIATE THAT.

AS YOU MENTIONED BEFORE, THERE WAS A, CANDIDATES MET WITH EACH COUNCILMEMBER INDIVIDUALLY AND THE APPROACH I WAS TRYING TO TAKE WITH THAT, I DIDN'T MENTION IT BEFORE, WAS GO A LITTLE LESS IN TRYING TO SELL MYSELF BUT MORE BEING MYSELF SO THE COUNCIL COULD GET A GOOD FEEL OF FEATURES I WOULD HAVE TO OFFER IF I WERE TO BE IN THIS POSITION. SO I'M GOING TO GO QUICKLY OVER MY EDUCATION, EXPERIENCE, AND I THINK THE KEY THERE IS LOOKING AT MY MANAGEMENT AND LEADERSHIP STYLES. AT LEAST MY PHILOSOPHIES, NOT IN THE DETAIL OF

DAY-TO-DAY AFFAIRS, BUT JUST PHILOSOPHIES. SO JUST TO MENTION I HAVE A BACHELOR OF ARTS IN ACCOUNTING WITH A MINOR IN ECONOMICS. I ALWAYS APPRECIATE THAT THE SCHOOL I WENT TO REALIZED THAT ACCOUNTING WAS MORE OF AN ART FORM VERSUS A BACHELOR OF SCIENCE. I'VE BEEN IN GOVERNMENT NOW FOR SEVENTEEN YEARS IN A SUPERVISORY ROLE. I'VE BEEN THROUGH COUNTY GOVERNMENTS MOST IN THE STATE OF ARIZONA. CITY GOVERNMENTS IN ARIZONA AND ILLINOIS. BEEN THROUGH A SCHOOL SYSTEM NOW FOR FOUR AND-A-HALF YEARS. I'VE ALSO WORKED IN HEALTH AND HUMAN SERVICES WHICH WAS A COUNTY POSITION IN WISCONSIN BUT THOSE SERVICES ARE DELIVERED BY THE STATE OF ARIZONA. SO IT HAS THAT KIND OF SIMILARITY.

I DO KNOW MY WAY AROUND FINANCIAL STATEMENTS. I'VE DONE QUITE A FEW OVER THE YEAR AND THERE'S A MATRIX IN YOUR PACKET TO DEMONSTRATE THAT. AS WELL AS THE DIFFERENT REPORTING FUNCTIONS I'VE GONE THROUGH AND SUPERVISORY ROLES. JUST WANT TO SAY THAT MY UNDERSTANDING FROM THIS POSITION IS THAT IT NEEDS TO MAINTAIN AND ASSIST BECAUSE COUNCIL NEEDS TO BE CONFIDENT AND COMFORTABLE WITH THE INDIVIDUAL IN THE DEPARTMENT. I WOULD BE LOOKING TO KEEP THE COUNCIL INFORMED, KEEP THE DEPARTMENT OUT OF THE HEADLINES IN A BAD WAY OR IF SOMETHING IS GOING TO OCCUR GET OUT IN FRONT OF THAT ISSUE. DO THE BEST TO KEEP THE CITY OUT OF TROUBLE OR UNDER SCRUTINY. THAT IS JUST PRIMARILY FOR THE COUNCIL TO BE ABLE TO DO THEIR DUTIES AND FOCUS ON THE POLICIES RATHER THAN THE DAY-TO-DAY OPERATIONS OF THE FINANCE OFFICE. AND I ALSO DO, TRY MY BEST AND PRIDE MYSELF ON HAVING INFORMATION THAT COUNCIL WOULD BE WANTING BEFORE THEY HAVE TO ASK. THAT WOULD ALLOW THEM TO FOCUS ON THE MORE NONTYPICAL TYPE OF CHALLENGES. MY MANAGEMENT STYLE IS, I DO MY BEST AND SUCCEED MOST OF THE TIME IN PUTTING COMMUNICATION AS TOP AND FOREMOST WITH THE DEPARTMENT. ALSO LOOK TO BE CONSISTENT WITH DECISIONS MADE AND COMMUNICATIONS MADE OUT. IF I'M GOING TO DELEGATE SOME OF THE RESPONSIBILITIES I ALSO WANT TO MAKE SURE THEY HAVE THE DELEGATED AUTHORITY TO MEET THAT RESPONSIBILITY. AND WOULD NEVER ASK SOMEONE TO DO SOMETHING I WOULDN'T DO MYSELF. I PREFER TO WORK AROUND PEOPLE'S STRENGTHS AND WORK AROUND STRENGTHS RATHER THAN WEAKNESSES.

[Time: 00:08:31]

IF THERE'S A WEAKNESS OR CHALLENGE I WOULD RATHER WORK WITH IT RATHER THAN WORK AROUND IT. FROM A LEADERSHIP STANDPOINT I PRIDE INTEGRITY, DEDICATION, MAGNETTIVITY WHICH IS GRACIOUS IN DEFEAT AND GIVING CREDIT WHERE IT'S DUE, HUMILITY, OPENNESS AND CREATIVITY. YOU MAY NOT THINK OF ACCOUNTANTS BEING CREATIVE BUT ONE OF THE EXPRESSIONS THINK OUTSIDE THE BOX, FROM AN ACCOUNTANT PERSPECTIVE, YOU GENERALLY DO NOT WANT TO GO OUTSIDE THE BOX. WHEN IT COMES TO FUNDING AND DOING THINGS LIKE THAT YOU NEED TO BE CREATIVE. I FOUND THE BEST RESULTS IS USING A FOUR-STEP APPROACH. INSPIRE TRUST WITH YOUR STAFFERS. CLARIFY THE PURPOSE, WHY WE'RE DOING WHAT WE'RE DOING, ALIGN ALL YOUR SYSTEMS AND THAT'S WHAT UNLEASHES THE TALENTS OF THE DEPARTMENT. COMMUNICATE TO THE PEOPLE THEIR WORTH AND POTENTIAL SO THAT THEY ARE CLEARLY INSPIRED TO SEE IT IN THEMSELVES. SOME OF THE OTHER CHARACTERISTICS I WOULD BRING THAT, DESCRIBE ME AS A PERSON, VERY RESULTS-DRIVEN. PATIENT AND SINCERE, CONSISTENT AND PERSISTENT, WHICH IS ALSO A CHALLENGE OF BEING TOO PERSISTENT. I LIKE TO GET OUT IN FRONT OF ISSUES. IF SOMETHING IS GOING TO OCCUR WE GET OUT IN FRONT OF IT. BEFORE IT. I'M A BELIEVER OF SCHEDULING YOUR PRIORITIES RATHER

THAN LET YOUR CALENDAR PRIORITIZE YOUR SCHEDULE. I GET TIRED OF HEARING MY VOICE. GIVE ME QUESTIONS.

Mayor Lane: THAT'S ALL RIGHT. WE HOLD IN HIGH REGARD BREVITY. IN ANY CASE, YOU COVERED THE POINTS VERY, VERY WELL. WE'LL LEAVE IT NOW. IF THERE ARE QUESTIONS FROM THE COUNCIL, OF YOU, I WILL GO TO THAT RIGHT NOW FOR JUST A LITTLE BIT. I'M SORRY VICE MAYOR.

Vice Mayor Klapp: THIS IS A PRETTY PUBLIC PROCESS. YOU KNOW THE OTHER CANDIDATES AND YOU KNOW THEIR BIOGRAPHICAL INFORMATION BECAUSE IT'S BEEN IN THE NEWSPAPER. I ASK YOU, BOTTOM LINE WHY YOU FEEL YOU ARE THE BEST OF THE CANDIDATES WE'RE GOING TO BE INTERVIEWING TONIGHT FOR THIS POSITION.

Douglas Allen: FROM A TECHNICAL SIDE I THINK WE'RE ALL PRETTY FAIRLY EQUAL. YOU CAN SEE THAT IN THE EXPERIENCE IN THE AREAS WE'VE WORKED IN. I THINK WHERE I MIGHT BE A LITTLE HIGHER UP IS THE LEADERSHIP AND MANAGEMENT STYLE. DEFINITELY, GOING OVER THE LEADERSHIP AND MANAGEMENT CHARACTERISTICS, THEY DIDN'T TALK AS MUCH ABOUT THAT BEFORE BECAUSE THEY DIDN'T WANT TO BE PREACHY BUT THOSE ARE THE FOUNDATIONS IN THE WAY I'M MOSTLY FOCUSED.

Mayor Lane: THANK YOU VICE MAYOR. COUNCILMAN PHILLIPS.

[Time: 00:11:33]

Councilmember Phillips: THANK YOU, MAYOR. I JUST HAVE ONE QUESTION. DO YOU HAVE EXPERIENCE ISSUING DEBT? AND CAN YOU GIVE EXAMPLES OF SUCH?

Douglas Allen: YES. I HAVE SOME EXPERIENCE. THE MOST DEBT THAT WAS ISSUED WAS BACK IN THE TOWN OF BUCKEYE. IF YOU REMEMBER BACK IN 2005/2006 THE WEST SIDE WAS GROWING RATHER RAPIDLY. THE MAIN DRIVER OF THAT WAS CFD, COMMUNITIES FACILITIES DISTRICTS. WE ISSUED PRIMARILY SPECIAL ASSESSMENTS BOND AND DEAL BONDS THAT WERE BACKED BY THE DEVELOPER INITIALLY. AND THEN THE BONDS WERE TO REPAVE FOR THE INFRASTRUCTURE. IT WAS NOT SO MUCH AN ISSUE OF COLLECTING THE DEBT BUT COLLECTING THE REVENUE OVER THE COURSE OF THE YEARS. YOU COULD USE IMPACT FEES, SECONDARY ASSESSMENTS OR SPECIAL ASSESSMENTS AND COLLECTING THOSE. I HAVE WORKED WITH THE GENERAL OBLIGATION BONDS AND HOW IT GOES AGAINST THE DEBT LIMITS OF THE COMMUNITY. I'VE ALSO DONE SOME C.O.P.S, CERTIFICATE OF PARTICIPATION; THOSE WERE TIED TO A SPECIFIC EXCISE TAX AND REVENUE PONDS TO THE JAIL DISTRICTS AND THE HEALTH DISTRICTS. BONDS AND OTHER LEASE PURCHASE KIND OF ARRANGEMENTS IN THERE AS WELL.

Councilmember Phillips: THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN MILHAVEN?

Councilwoman Milhaven: THANK YOU, MAYOR. I WOULD LIKE TO TALK A LITTLE BIT ABOUT THE TREASURER'S ROLE AND SPECIFICALLY HOW YOU SEE A TREASURER INFLUENCING A POLICY DECISION AND PERHAPS YOU GIVE US AN EXAMPLE OF WHERE YOU DID THAT.

Douglas Allen: I WOULD SEE THE TREASURER POSITION, OF INFLUENCING A POLICY DECISION. I THINK THE ROLE OF THE TREASURER WOULD BE MORE OF RECOMMENDATIONS, MAKING RECOMMENDATIONS TO THE COUNCIL. THE COUNCIL OBVIOUSLY HOLDS THE POLICY DECISION, THE POLICY DIRECTION. THE TREASURY IS THEN RESPONSIBLE FOR THE PROCEDURES AND PROCESSES THAT GO IN PLACE TO SUPPORT THE POLICY DIRECTIONS. TO ME IT WOULD BE MAKING A RECOMMENDATION. THE PROCESS TO GO THROUGH DEPENDING ON WHAT IT IS. STRICTLY FINANCIAL. WE WORK FOR THE DEPARTMENT, IF IT'S SOMETHING THAT IS TO CORRESPOND CITYWIDE WE WORK DIRECTLY WITH THE DEPARTMENTS I WOULD INFLUENCE. THE HOPE IS TO HAVE A REAL CLEAR UNDERSTANDING BEFORE COMING OUT WITH A PUBLIC TYPE OF RECOMMENDATION.

Councilwoman Milhaven: CAN YOU GIVE ME AN EXAMPLE?

Douglas Allen: SURE. I'M TRYING TO THINK OF AN EASY ONE THAT CORRESPONDS. I GUESS ONE OF THEM WOULD HAVE BEEN BACK WHEN WE WERE BUILDING A COURTHOUSE IN THE COUNTY. AND IT WAS JUST THE BASICS OF FURNITURE FIXTURE AND EQUIPMENT. FF AND E. IT CAN BE ALSO A CONTENTIOUS SITUATION TOO. BECAUSE YOU HAVE A BOND ISSUE AND SOME OF IT COVERS FF AND E AND YOU NEED TO FURNISH YOUR COURTHOUSE. WHERE COLLABORATION CAME INTO PLAY IS THAT WITH COUNTY GOVERNMENT THE COURT SYSTEM IS LED BY THE PRESIDING JUDGE WHO IS ACTUALLY A PIECE OF THE STATE. THEY DON'T REPORT TO THE BOARD, BUT GO TO THE BOARD FOR THE PURSE STRINGS. AND THE SHERIFF OF THE STATE IS AN ELECTED OFFICIAL, ALSO DOESN'T REPORT TO THE BOARD BUT GOES TO THE BOARD FOR PURSE STRINGS. THEN YOU HAVE THE COUNTY ADMINISTRATION WHO NEEDS TO COME OFF THE RECOMMENDATION OF HOW TO FUND THOSE MECHANISMS. SO IT'S, THE EXAMPLE SHOWING HOW THOSE THREE PIECES WERE COLLABORATED TOGETHER TO COME UP WITH DIFFERENT OPTIONS THEN FOR THE BOARD, RATHER THAN JUST SAY WELL HERE'S WHAT WE NEED TO DO, HERE'S WHAT WE'RE GOING TO DO, WE CAME FORWARD WITH, WELL, HERE'S DIFFERENT OPTIONS TO THE BOARD, HOW TO FUND IT OVER A COUPLE OF YEARS OR DEFER SOME OF THE NEEDS AS IT GOES FORTH.

[Time: 00:15:37]

Councilwoman Milhaven: THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. COUNCILMAN ROBBINS?

Councilman Robbins: THANK YOU, MAYOR. HOW WOULD YOU COMMUNICATE A DISAGREEMENT YOU HAD TO THE COUNCIL WITH ANOTHER CHARTER OFFICER? AND I CAN SEE THIS HAPPENING, AND IT'S MAYBE HAPPENED IN THE PAST WITH A CERTAIN PROJECT COMING BEFORE THE COUNCIL. OR EVEN THE BUDGET. HOW BEST WOULD YOU COMMUNICATE THAT DISAGREEMENT OR YOUR POSITION IN RELATION TO ANOTHER CHARTER OFFICER?

Douglas Allen: IT'S A TOUGHER ONE FOR ME TO IMAGINE. FIRST AND FOREMOST, BEFORE ANY COMMUNICATION WENT OUT I WOULD COMMUNICATE WITH THE INDIVIDUAL, WITH THE DISAGREEMENT TO FIND OUT, IS THERE A SOLUTION WE CAN HAVE IN THERE. FROM A NEGOTIATING STANDPOINT I USED TO WORK WITH LABOR UNIONS BACK UP NORTH AND I THINK I MAY HAVE MENTIONED SOME OF THE OTHER INTERVIEWS, RATHER THAN GO FOR A COMPROMISE WHERE IT FEELS LIKE A LOSE/LOSE TAKE A MORE INTEREST-BASED APPROACH, SO WE FIND MORE OF A WIN/WIN

AND BOTH PARTIES CAN GET A PIECE OF WHAT THEY ARE LOOKING FOR AND HOPEFULLY COLLABORATE THAT DOWN THE LINE. SO FIRST AND FOREMOST, TRY TO SETTLE IT BEFORE IT NEEDS TO COME TO THE COUNCIL. IF THAT IS NOT GOING TO WORK AND IT'S AGREED UPON WE'RE GOING TO DISAGREE ON IT I WOULD SAY IT'S PART OF THE PRESENTATION, BOTH PARTIES SAY WELL, HERE'S OUR RECOMMENDATIONS AND THERE IS A CONFLICT. AND AS PART OF THAT CONFLICT I LIKE TO SHOW THAT HERE'S THE ULTIMATE RECOMMENDATION AND THESE ARE THE LOGIC POINTS THAT WERE USED TO GET TO THERE. SO WE CAN EXAMINE MAYBE THE LOGIC THAT IS SOMETHING THAT COULD BE CHANGED OR TWEAKED AND THEN COMES OFF TO A DIFFERENT RECOMMENDATION. AS WELL AS MAYBE WE CAN ELABORATE TO COME UP WITH DIFFERENT OPTIONS FOR THE COUNCIL TO LOOK AT.

Councilman Robbins: THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN KORTE.

Councilmember Korte: THANK YOU, MAYOR. HI. OUR CITY CHARTER DEFINES THE TREASURER AS OF COURSE A CHARTER OFFICER, REPORTING DIRECTLY TO THE CITY COUNCIL. AND THIS STRUCTURE IS SOMEWHAT UNIQUE IN MUNICIPALITIES ACROSS THE COUNTRY. HOW DO YOU DEFINE THE NUANCE OF THE ROLE OF THE CITY TREASURER AS OPPOSED TO OTHER MUNICIPALITIES? AS A CHARTER OFFICER?

Douglas Allen: HOW WOULD I DEFINE THE ROLE DIFFERENTLY FROM OTHER CITIES?

Councilmember Korte: UH-HUH.

[Time: 00:18:08]

Douglas Allen: WHERE I SEE IT IS, OF COURSE MY OPINION, AND MY EXPERIENCE IS, IT HAS THAT DIRECT REPORTING LINE AND IT'S EXPLICIT. IT'S IN THE CHARTER AND SAYS THIS POSITION REPORTS DIRECTLY TO COUNCIL. OTHERS EXPERIENCE I'VE HAD, WE JUST WORKED OUT THE RELATIONSHIP THOUGH I REPORTED THROUGH THE MANAGER'S OFFICE OR ADMINISTRATOR'S OFFICE, YOU STILL HAVE THE DIRECT CONNECTION WITH COUNCIL. COUNCIL NEEDS THAT UNFILTERED RECOMMENDATIONS OR OPINIONS FROM FINANCE. SO THEY DON'T GET DILUTED. AS I SEE THAT, AS A DISTINCTION, IT'S JUST EXPLICIT. IT'S NOT A CONCERN BUT HOW IT ACTUALLY FUNCTIONS, TO ME I WOULD FUNCTION LIKE ANY OTHER ENVIRONMENT WHERE THAT IS WORKED OUT, IT'S A TEAM, THE WHOLE UNIT OF ALL THE CHARTER OFFICERS AND ALL THE DEPARTMENTS SHOULD BE FOCUSING ON THE ONE GOAL. THAT IS WHAT THE COUNCIL IS SETTING FORTH IN THEIR MISSION STATEMENTS AND STRATEGIC PLAN. THEY ARE HERE TO PROVIDE THE SERVICE FOR THE RESIDENTS AND CITIZENS OTHERWISE KNOWN AS THE CUSTOMERS. AS THE TREASURY DEPARTMENT OR TREASURY DEPARTMENT CFO WE'RE HERE TO SERVICE THE OTHER DEPARTMENTS SO THEY CAN BETTER SERVICE THE CUSTOMERS. WE'RE ALSO HERE TO ASSIST THE COUNCIL SO THEY CAN MAKE THE BEST DECISIONS AND ALSO BE MINDFUL OF THE EXTERNAL CUSTOMER, THE CITIZENS, TAXPAYERS, TO MAKE SURE THEY ARE RECEIVING THEIR BEST SERVICES.

Mayor Lane: THANK YOU, COUNCILWOMAN. MY ONLY, MY QUESTION ON THIS I SUPPOSE, MR. ALLEN, IS THAT, IT DOES CIRCLE AROUND SOME OF THE THINGS THAT HAVE ALREADY BEEN

ANSWERED. BUT I'M GOING TO START WITH A LITTLE BIT OF A SOFTBALL AND JUST ASK YOU, WHAT ATTRIBUTE, PERSONAL ATTRIBUTE OR PRACTICE DO YOU THINK YOU BRING TO THIS POSITION? IF APPOINTED? YOU MENTIONED A NUMBER OF THINGS. IS THERE ONE PARTICULAR ASPECT THAT YOU THINK MAYBE DIFFERENTIATES YOURSELF FROM THE OTHERS THAT YOU FEEL IS IMPORTANT THAT YOU BRING TO THIS POSITION?

Douglas Allen: I WILL, TODAY I WILL PICK PERSISTENCY AND PROBABLY TOMORROW PICK THE SAME ONE. IT'S A POSITIVE AND NEGATIVE. BUT WITH SOME OF THE THINGS I'M SAYING, IN ORDER TO BE ABLE TO COLLABORATE AND GET THINGS TAKEN CARE OF BEFORE IT BECOMES AN ISSUE SOMETIMES YOU NEED TO BE PERSISTENT TO PRESS THE ISSUE. OTHER TIMES YOU CAN PROBABLY PUSH IT TOO FAR AND END UP HAVING TO START OVER. I THINK JUST THAT PERSISTENCE IS A REALLY HOT TRAIT BECAUSE I CAN BE TOLD NO 18 DIFFERENT WAYS OR NO, WE DON'T WANT TO DO THIS 18 DIFFERENT WAYS BUT IF IT'S REALLY THE BEST WAY TO DO IT SO WE DON'T HAVE TO GO TO THE NEXT LEVEL I WILL TRY TO KEEP WORKING THROUGH IT.

Mayor Lane: OK. MY NEXT QUESTION IS A LITTLE BIT OF A PLAYOFF OF SOME OF THE QUESTIONS THAT HAVE ALREADY BEEN ASKED AND PARDON ME IF IT BRINGS ABOUT THE SAME RESPONSE BUT THERE'S BEEN SOME CONVERSATION, CERTAINLY IN YOUR INDIVIDUAL INTERVIEWS AND CERTAINLY EVEN FROM THE DAIS ABOUT THE FACT THAT WE HAVE SIX CHARTER OFFICERS AND THEY ARE HIRED, FIRED, EVALUATED AND COMPENSATED BY THIS BODY, AS A BODY. AS THAT HAS BEEN NOT EXTENDED NECESSARILY BUT HAS ENCOMPASSED AN ADDITIONAL TITLE IN THE TREASURER'S OFFICE, THE CFO. WHAT THAT HAS REALLY REQUIRED FROM ALL OUR CHARTER OFFICERS IN THE PAST AND THIS IS SORT OF THE FRAMING UP OF THE QUESTION, IS WORKING AS A TEAM, FOR THE SAKE OF THE OPERATION OF THE CITY AND AT THE SAME TIME BEING CANDID AND INDEPENDENT ENOUGH TO BE ABLE TO ADVISE THIS COUNCIL OF YOUR PROFESSIONAL JUDGMENT AND GIVEN THE AREA IN THIS PARTICULAR CASE IN FINANCE AND ACCOUNTING AND REPORTING. DO YOU SEE ANY REAL CONFLICT WITH THAT AT ALL? DOES THAT CAUSE YOU ANY CONCERN?

[Time: 00:22:09]

Douglas Allen: I DO NOT SEE A CONFLICT. I HAVE NO CONCERN. HISTORICALLY I HAVE BEEN IN THOSE SITUATIONS WHERE I'VE NEEDED TO CONTRADICT SOMETHING IN THE PUBLIC FORUM, EVEN TO WHO THE MANAGER WAS OR PRESIDING JUDGE OR SHERIFF. IT'S TOUGH SITUATIONS BUT IF WE HAVE ALL THAT AS THE MAIN GOAL WE SHOULD BE ABLE TO WORK IN THAT KIND OF ENVIRONMENT.

Mayor Lane: WE AS A BODY OBVIOUSLY CAN TAKE OUR NOT TAKE CERTAIN ADVICE ALL THE TIME WHETHER IT'S FROM MANAGEMENT OR WHETHER IT'S FROM LEGAL OR WHETHER IT'S FROM FINANCIAL OR EVEN FROM THE CLERK'S OFFICE. WE TRY TO ABIDE BY IT MOST OF THE TIME. AND NEVERTHELESS THERE'S LATITUDE IN THE DECISIONS WE CREATE FOR THE PUBLIC TO BE ABLE TO WORK THAT WAY. SO, I THINK IT'S ALWAYS, I THINK I GOT THIS FROM YOUR ANSWER. OF YOUR PROFESSIONAL JUDGMENT, NOT NECESSARILY JUST ADVISE, AS YOU EARLIER MENTIONED TO RECOMMEND TO THIS BODY WHAT YOU FEEL IS THE BEST COURSE OF ACTION IN A PARTICULAR CASE.

Douglas Allen: YES. I DO ALWAYS FEEL THAT MY ROLE IS TO MAKE RECOMMENDATIONS TO THE GOVERNING BOARD WHETHER THEY TAKE THAT RECOMMENDATION OR NOT, THAT IS THEIR CHOICE. THEY COULD HAVE BETTER INFORMATION THAT'S OUT THERE. I HOPE I WOULD BE PROVIDING THE

BEST INFORMATION. BUT I ALSO LIKE TO GIVE OPTIONS. SO INSTEAD OF ABSOLUTELY, THIS IS THE ONLY WAY YOU CAN GO, HERE'S OPTIONS AND THE RECOMMENDATION. I RECOMMEND YOU GO THIS ROUTE. THE ONLY TIME I HAVE SAID THIS IS THE ROUTE YOU HAVE TO GO, IS IF IT'S SOMETHING THAT IN GAP OR LAW, AND THAT'S A MATTER OF SAYING HERE IT IS, AND IF THERE'S ANOTHER WAY WE CAN LISTEN ABOUT IT BUT THAT'S BEEN SO RARE THAT I CAN'T THINK WHERE THAT'S EVER OCCURRED FROM A GOVERNING BOARD. WHERE YOU HAVE TO SAY TO A GOVERNING BOARD YOU HAVE TO DO THIS. BECAUSE AS YOU KNOW, THIS GOVERNING BOARD CAN'T RESTRICT THE NEXT GOVERNING BOARD. JUST LIKE THE GOVERNING BOARDS FROM TEN YEARS AGO, WHATEVER THEY DID CAN'T RESTRICT YOU TODAY, YOU CAN ALWAYS GO BACK AND REVISIT THOSE DECISIONS.

Mayor Lane: JUST TO MAKE THE COMPARISON QUICKLY IN THE LEGAL DEPARTMENT OBVIOUSLY WE'RE PROBABLY PRETTY CAREFUL TO FOLLOW WHAT MR. WASHBURN SAYS BUT THERE ARE TIMES WHEN WE'VE DISAPPOINTED HIM. BUT IN ANY CASE I THINK THAT COMPLETES OUR QUESTIONING. MR. ALLEN, THANKS SO VERY MUCH FOR YOUR PRESENTATION AND FOR ANSWERING THOSE QUESTIONS.

Douglas Allen: THANK YOU FOR HAVING ME AND BEING SUCH A GRACIOUS HOST.

[Time: 00:24:40]

Bruce Davis: GOOD EVENING MAYOR, MEMBERS OF COUNCIL. OUR SECOND CANDIDATE IS MS. LEE GUILLORY. MS. GUILLORY HAS TWENTY-FIVE YEARS OF EXPERIENCE AS A FINANCIAL PROFESSIONAL. MS. GUILLORY IS CURRENTLY THE ACTING CITY TREASURER FOR THE CITY OF SCOTTSDALE AND PRIOR TO THAT, WAS OUR CITY'S FINANCE DIRECTOR. SHE HAS HELD MULTIPLE FINANCIAL MANAGEMENT POSITIONS WITH THE ARIZONA PUBLIC SERVICE COMPANY, AND WAS A MANAGER OF REVENUE REQUIREMENTS ANALYSIS AT THE ARIZONA CORPORATION COMMISSION. SOME OF THE HIGHLIGHTS OF HER CAREER INCLUDE ISSUING AND ADMINISTERING THE CITY'S DEBT PORTFOLIO OF OVER \$1.2 BILLION, AND WHILE AT ARIZONA PUBLIC SERVICE, ESTABLISHING AND RENEWING VARIOUS LETTERS OF CREDIT AT MORE FAVORABLE TERMS, LEADING TO SIGNIFICANT FINANCIAL SAVINGS. MS. GUILLORY HOLDS AN M.B.A. FROM WESTERN INTERNATIONAL UNIVERSITY, A POST-BACCALAUREATE ACCOUNT CERTIFICATE FROM ARIZONA STATE UNIVERSITY, AND A BACHELOR'S OF SCIENCE IN FINANCE FROM ARIZONA STATE UNIVERSITY. MAYOR AND MEMBERS OF THE COUNCIL, MS. LEE GUILLORY.

[Time: 00:26:06]

Mayor Lane: THANK YOU MR. DAVIS. MS. GUILLORY, WELCOME.

Lee Guillory: THANK YOU VERY MUCH. MAYOR LANE AND MEMBERS OF THE COUNCIL, THANK YOU FOR CONSIDERING ME FOR THE CITY TREASURER POSITION. MY NAME IS LEE GUILLORY AND I HAVE BEEN A SCOTTSDALE RESIDENT FOR OVER TWENTY-FIVE YEARS RESIDING IN MY ARCADIA HOME THE ENTIRE TIME. I HAVE BEEN MARRIED FOR THIRTEEN YEARS NOW AND MY HUSBAND HAS A DEGREE IN PHYSICS WITH AN EMPHASIS IN LASER TECHNOLOGY AND HAS WORKED AT MICROCHIP TECHNOLOGY IN CHANDLER FOR OVER NINETEEN YEARS. TOGETHER WE ENJOY OUTDOOR ACTIVITIES INCLUDING HIKING, BIKING AND SPENDING TIME AT OUR PROPERTIES OUTSIDE OF PRESCOTT AND SHOW LOW.

AS MENTIONED EARLIER, I HAVE AN UNDERGRADUATE IN FINANCE, A POST-BACCALAUREATE CERTIFICATE IN ACCOUNTING, BOTH FROM ARIZONA STATE UNIVERSITY AND I HAVE AN MBA FROM WESTERN INTERNATIONAL UNIVERSITY. I HAVE OVER 30 YEARS OF FINANCIAL EXPERIENCE INCLUDING TREASURY MANAGEMENT, EQUITY AND DEBT CAPITAL MARKETS, LONG-RANGE PLANNING AND FORECASTING, FINANCIAL ANALYSIS REPORTING AND AUDITING. I HAVE BEEN EMPLOYED BY BOTH THE PRIVATE AND PUBLIC SECTORS INCLUDING TEN YEARS AT ARIZONA PUBLIC SERVICE COMPANY, AND SEVEN YEARS AT A NATURAL GAS UTILITY IN SALT LAKE CITY. MY RESPONSIBILITIES HAVE BEEN BOTH MANAGERIAL AND ANALYTICAL IN NATURE, BUILDING UPON MY SKILLS IN NEGOTIATIONS, FORECASTING AND FINANCIAL ANALYSIS, INCLUDING TIME VALUE OF MONEY, PRESENT AND FUTURE VALUE ANALYSIS, INTERNAL RATES AND RETURN, AND UNDERSTANDING OF YIELD CURVES.

MY CAREER AT SCOTTSDALE HAS BEEN ALMOST TEN YEARS NOW. I HAVE BEEN THE FINANCE MANAGER, FINANCE DIRECTOR, AND MOST RECENTLY, ACTING CITY TREASURER. I'D LIKE TO TAKE THIS TIME TO EXPRESS MY APPRECIATION TO THE FINANCE AND ACCOUNTING STAFF AND OTHER CITY STAFF FOR THEIR SUPPORT AND ASSISTANCE. AS THE FINANCE MANAGER AND THE FINANCE DIRECTOR, SOME OF MY DUTIES HAVE INCLUDED RESPONSIBILITY FOR THE CITY'S INVESTMENT AND DEBT PORTFOLIOS, PREPARING AND PRESENTING TO THE CREDIT RATING AGENCIES, AS WELL AS DOING NUMEROUS FINANCIAL PRESENTATIONS TO COUNCIL, OTHER COMMITTEES, BOARDS AND CITIZENS. I'VE HAD DIRECT INVOLVEMENT WITH WRITING AND MODIFYING THE CITY'S FINANCIAL POLICIES AND PROCEDURES. I'VE HAD OVERSIGHT OF A LARGE PORTION OF THE CITY'S COMPREHENSIVE FINANCIAL REPORT, INCLUDING ALL SECTIONS RELATING TO THE ENTERPRISE FINANCES AND CITY-WIDE INVESTMENT AND DEBT SECTIONS.

[Time: 00:28:46]

IN ADDITION, I OVERSEE THE PREPARATIONS OF SEVERAL ANNUAL REPORTS FOR THE CITY'S FINANCE ENTITIES, MUNICIPAL PROPERTY CORPORATION, AND THE SCOTTSDALE PRESERVE AUTHORITY, AS WELL AS THE FIVE COMMUNITY FACILITY DISTRICTS, INCLUDING PREPARATION OF THEIR ANNUAL REPORTS AND TAX LEVIES. COMPARED TO OTHER MUNICIPALITIES AND GOVERNMENT ENTITIES, SCOTTSDALE IS VERY COMPLEX. CITIZENS EXPECT MORE, WE HAVE A VERY DIVERSIFIED REVENUE STREAM, COMPOSED OF BOTH ELASTIC AND INELASTIC REVENUES, A COMPLICATED DEBT STRUCTURE, AND MANY INTRICATE CONTRACTS, AGREEMENTS AND OBLIGATIONS. MY DIRECT INVOLVEMENT IN THESE AREAS FOR THE PAST TEN YEARS HAS GIVEN ME THE KNOWLEDGE AND EXPERIENCE OF THESE INTRICACIES. THIS KNOWLEDGE IS ONLY OBTAINED WITH TIME AND EXPOSURE. EARLIER TODAY, I FOUND A DEFINITION DEALING WITH THE DIFFERENCES BETWEEN ACCOUNTING AND FINANCE. I THOUGHT THIS WOULD BE RELEVANT TO EXPLAIN, AS SO MANY PEOPLE SEE ACCOUNTING AND FINANCE AS ONE AND THE SAME AND THEY'RE NOT. ACCOUNTING AIMS TO COLLECT AND PRESENT FINANCIAL INFORMATION. PEOPLE WHO WORK IN ACCOUNTING; ACCOUNT FOR WHAT HAS ALREADY TAKEN PLACE. FINANCE'S PRIME DUTY AND RESPONSIBILITY IS FINANCIAL STRATEGY, MANAGING AND CONTROLLING, AND DECISION-MAKING. PEOPLE WHO WORK IN FINANCE ANALYZE WHAT THE FUTURE MIGHT HOLD. HERE AT THE CITY, WE HAVE A COMPETENT ACCOUNTING DEPARTMENT LED BY JOYCE GILBRIDE. SHE AND SEVERAL OF HER STAFF HAVE CPA CERTIFICATION. IN ADDITION, THE HEAD OF ENTERPRISE FINANCE, GINA KIRKLAND, WHO REPORTS TO ME AS FINANCE DIRECTOR, ALSO HAS HER CPA DESIGNATION.

THE CITY DOES NOT NEED A CAREER ACCOUNTANT TO BE THEIR TREASURER AND CHIEF FINANCIAL OFFICER. THEY NEED AN EXPERIENCED FINANCIAL PROFESSIONAL FAMILIAR WITH THE CITY'S FINANCIAL COMPLEXITIES AND WITH THE SKILLS NECESSARY TO COMMUNICATE ACCURATE AND TIMELY FINANCIALS OF THE CITY, WORK AS A TEAMMATE WITH OTHER CHARTER OFFICERS AND CITY STAFF, PROVIDE ADVICE TO COUNCIL REGARDING POTENTIAL PROBLEMS, ISSUES, SOLUTIONS AND RECOMMENDATIONS, AND MENTOR AND MOTIVATE STAFF. I AM THAT IDEAL CANDIDATE. I WELCOME THE OPPORTUNITY TO BE THE CITY'S PERMANENT TREASURER AND WORK WITH COUNCIL, CHARTER OFFICERS, CITY STAFF, AND THE CITIZENS OF SCOTTSDALE TO PROVIDE RELIABLE FINANCIAL INFORMATION AND ADVICE WITHIN AN ENVIRONMENT OF TRUST AND OPENNESS. THANK YOU AGAIN FOR YOUR TIME AND CONSIDERATION AND I'M AVAILABLE FOR QUESTIONS THAT YOU MAY HAVE.

Mayor Lane: THANK YOU MS. GUILLORY. WE DO HAVE AN OPPORTUNITY TO HAVE SOME QUESTIONS. YOU MAY NOT HAVE HEARD THE ANNOUNCEMENT EARLIER ON. WE DID TELL THE PUBLIC AT THAT POINT AND IT BEARS SOME REPEATING EACH TIME BUT THE FACT IS ALL OF US HERE ON THE COUNCIL HAVE HAD INDIVIDUAL INTERVIEWS AND TALKED WITH YOU PREVIOUS TO THIS MEETING. BUT THIS IS AN EXERCISE FOR PUBLIC CONVERSATION AND FRANKLY FOR SOME QUESTIONS AS WELL. WE APPRECIATE THAT PRESENTATION. SO WE DO HAVE SOME QUESTIONS OF YOU IF THAT'S OK AND WE WILL START WITH COUNCILMAN PHILLIPS.

[Time: 00:32:08]

Councilmember Phillips: THANK YOU MAYOR. MS. GUILLORY, WE KNOW THE ANSWER TO THIS BUT I'M ASKING EVERYBODY, SO, YOU HAVE EXPERIENCE ISSUING DEBT, AND CAN YOU GIVE EXAMPLES?

Lee Guillory: THANK YOU MAYOR AND COUNCILMEMBERS. YES, I HAVE ISSUED OVER EIGHTEEN NEW BOND ISSUANCES IN THE LAST TEN YEARS FOR THE CITY. I HAVE ALSO ISSUED AN ADDITIONAL NINE REFUNDING BOND ISSUANCES, WHICH IS A REFINANCING OF AN EXISTING DEBT ISSUANCE. THESE BOND ISSUANCES HAVE BEEN ALL TYPES, GENERAL OBLIGATION, MUNICIPAL PROPERTY CORPORATION, COMMUNITY FACILITY DISTRICT GENERAL OBLIGATION BONDS. IN ADDITION, I ISSUED TAXABLE DEBT WHEN I WAS WITH THE ARIZONA PUBLIC SERVICE COMPANY. I WORKED ON ABOUT THREE NEW DEBT ISSUANCES WHILE I WAS THERE.

Councilmember Phillips: THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. VICE MAYOR KLAPP.

Vice Mayor Klapp: YOU MENTIONED IN YOUR PRESENTATION SOME INFORMATION THAT RELATES TO THE QUESTION I HAVE. BECAUSE YOU'VE EXPLAINED THAT YOUR EXPERIENCE IN FINANCE IS EXTENSIVE. I THINK I KNOW HOW YOU'LL ANSWER THIS, BUT GIVE ME YOUR TAKE ON WHY YOU BELIEVE, BECAUSE THE OTHER TWO CANDIDATES ARE OBVIOUS AND PUBLIC, YOU KNOW WHO THEY ARE AND WHAT THEIR BACKGROUND IS, WHY DO YOU BELIEVE YOU'RE THE BEST CANDIDATE OUT OF THE THREE PEOPLE WE'VE INTERVIEWED FOR THIS POSITION?

Lee Guillory: THANK YOU MAYOR AND COUNCILMEMBERS. AGAIN I WILL REITERATE THAT THE CHIEF TREASURER AND CHIEF FINANCIAL OFFICER FOR THE CITY OF SCOTTSDALE SHOULD HAVE A STRONG

FINANCE BACKGROUND MORE THAN AN ACCOUNTING BACKGROUND. THERE ARE DIFFERENCES IN THE WAY THE JOBS ARE PERFORMED. THE FINANCE PERSON TYPICALLY LOOKS MORE INTO THE WHY TO THE NUMBERS, AND ANALYZES AND DOES MORE FORECASTING AND WHAT IF SCENARIOS AND PROVIDES SOLUTIONS AND RECOMMENDATIONS. ACCOUNTING IS AN IMPORTANT AREA FOR LOOKING AT HISTORICAL INFORMATION, MAKING SURE THAT THE INFORMATION IS ACCURATE, YOU NEED GOOD INFORMATION GOING IN, IN ORDER TO BE ABLE TO PROVIDE THE LONG-TERM PROJECTIONS AND FUTURE IMPLICATIONS.

Mayor Lane: THANK YOU VICE MAYOR. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: AGAIN, YOU MAY HAVE PARTIALLY ANSWERED THIS AS PART OF YOUR LAST ANSWER. DESCRIBE FOR US WHAT YOU THINK THE TREASURER'S ROLE IS IN POLICY DECISIONS AND GIVE US AN EXAMPLE. I THINK THE FIRST PART YOU'VE ANSWERED AND THE SECOND, BUT IF YOU'D GIVE US AN EXAMPLE.

Lee Guillory: MY ADVICE AS FAR AS THE CITY TREASURER'S POSITION ON POLICY IS THAT THE CITY TREASURER SHOULD PRESENT ADVICE TO THE CITY COUNCIL BUT THAT THE CITY COUNCIL MEMBERS MAKE THE POLICIES. I DO BELIEVE IT IS THE RESPONSIBILITY OF THE CITY TREASURER IF A POLICY IS IN PLACE AND SOMETHING ISN'T WORKING THAT IT IS THEIR RESPONSIBILITY TO BRING IT TO THE ATTENTION OF CITY COUNCIL FOR FURTHER DIRECTION OR POSSIBLE MODIFICATION. AGAIN, I SEE THE ROLE OF THE TREASURER AS PRESENTING ADVICE AND INFORMATION, POSSIBLE SOLUTIONS AND RECOMMENDATIONS BUT RELYING ON THE CITY COUNCIL TO PROVIDE THE POLICIES.

[Time: 00:35:37]

Councilwoman Milhaven: THANK YOU. CAN YOU GIVE US AN EXAMPLE OF WHERE YOU INFORMED A POLICY DECISION AND HOW YOU DID THAT?

Lee Guillory: YES, THE BED TAX ALLOCATION AFTER THE ELECTION TO INCREASE THE BED TAX RATE FROM 3% TO 5%. A POLICY WAS PRESENTED TO COUNCIL ABOUT A POSSIBLE ALLOCATION OF THOSE FUNDS. IT WAS A RECOMMENDATION TO CITY COUNCIL ABOUT HOW TO UTILIZE THE FIFTY PERCENT NON-MARKETING PORTION OF THE BED TAX AND HOW TO ALLOCATE THAT. THE FINAL DECISION WAS MADE BY THE CITY COUNCIL TO ADOPT THAT POLICY.

Councilwoman Milhaven: THANK YOU.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILMAN ROBBINS.

Councilman Robbins: CAN YOU DESCRIBE HOW YOU WOULD HANDLE A DISAGREEMENT BETWEEN YOURSELF AND ANOTHER CHARTER OFFICER WHEN IT COMES TO YOUR RECOMMENDATIONS TO THE COUNCIL? HOW WOULD YOU COMMUNICATE THAT DISAGREEMENT TO THE COUNCIL SO THAT WE RECEIVED ALL THE INFORMATION WE NEEDED TO RECEIVE?

Lee Guillory: MAYOR AND MEMBERS OF THE COUNCIL, FIRST OF ALL, I WOULD ADDRESS IT WITH THE CITY MANAGER AS TO WHY I HAVE A DIFFERENCE OF OPINION TO MAKE SURE THERE IS ACTUALLY A DIFFERENCE AND IF IT IS FOUND THAT THERE IS, IT IS POSSIBLE TO PRESENT IT NUMEROUS WAYS. IT

COULD BE A CITY TREASURER REPORT, IT COULD BE A FINANCIAL PRESENTATION AT THE PODIUM, EXPLAINING THE ISSUES WITH THE DIFFERENCES, OR IT COULD BE THROUGH ONE-ON-ONE MEETINGS WITH THE CITY COUNCIL. IT WOULD BE THE COUNCIL'S PREROGATIVE AS TO WHICH METHOD WORKS BEST FOR THEM.

Councilman Robbins: THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN KORTE.

Councilmember Korte: THANK YOU MAYOR. HI LEE. WE KNOW THAT SCOTTSDALE DEFINES THE CITY TREASURER A LITTLE BIT DIFFERENTLY. AS A CHARTER OFFICER, REPORTS DIRECTLY TO THE COUNCIL. GIVEN THIS NUANCE AND BEING DIFFERENT FROM A LOT OF OTHER MUNICIPALITIES, HOW DO YOU SEE THAT IMPACTING THE WAY THAT YOU FILL THAT ROLE AS TREASURER?

Lee Guillory: MAYOR AND MEMBERS OF COUNCIL, I ACTUALLY FEEL THAT WITH THE CITY TREASURER REPORTING DIRECTLY TO THE COUNCIL, IT'S ACTUALLY EASIER, IT'S MORE OPEN, IT'S MORE TRANSPARENT. THE INFORMATION IS RELAYED DIRECTLY TO THE CITY COUNCIL. THERE'S NO OPPORTUNITY FOR IT BEING MIS-COMMUNICATED WHETHER INTENTIONALLY OR UNINTENTIONALLY SO I FEEL THAT BEING ABLE TO PROVIDE ADVICE DIRECTLY TO THE CITY COUNCIL BENEFITS ALL.

[Time: 00:38:18]

Mayor Lane: THANK YOU COUNCILWOMAN. LEE, I'D ASK THE QUESTION WITH REGARD TO FINANCIAL ANALYSIS. WE HAVE TO HANDLE THAT ON A NUMBER OF DIFFERENT INCLUSIVE OF FINANCING. FINANCIAL ANALYSIS FOR BUDGETARY PROCESSES, NOW I'M TALKING ABOUT FORECASTS AS WELL AS PROJECTIONS OF EXPENDITURES. BUT ALSO THE FULL REALM OF ACCOUNTING AND USING THOSE NUMBERS MAKING SURE THAT THEY ARE ACCURATELY ACCOUNTED FOR SO THEY CAN FORM THE BASIS FOR THOSE DECISIONS. ONE THING, AND THIS GOES SPECIFICALLY I SUPPOSE TO SOME OF THE THINGS THAT I HAVE HEARD FROM YOU. THAT IS THE ABILITY TO DO THAT FINANCIAL ANALYSIS AND I THINK THAT EVERYONE ON THIS COUNCIL AND I MAYBE SHOULDN'T SPEAK FOR ALL OF THEM BUT WE'RE ALL LOOKING FOR ACCURATE INFORMATION. WE'RE NOT LOOKING FOR POLICY DECISIONS AND I THINK THAT'S BEEN PLAINLY STATED AND I THINK YOU'RE IN LINE WITH THAT. WHAT WE ARE LOOKING FOR IS THE NECESSARY INFORMATION. THE RESULTS ARE IMPACT OF FINANCIAL DECISIONS OR ANY DECISION THAT HAS FINANCIAL IMPLICATIONS. ONE OF THE THINGS IN THE COUNCIL REPORTS AS A MATTER OF STANDARD IS A STATEMENT FROM THE TREASURER AND CHIEF FINANCIAL OFFICER AS TO WHAT THE IMPACT OF A GIVEN COURSE OF ACTION IS. I THINK THAT THIS BODY IS LOOKING TO MAKE SURE THAT KIND OF COMMUNICATION IS CLEAR. HOW WOULD YOU AND I THINK THERE'S A CULMINATION OF A FEW THINGS YOU'VE SAID THAT ANSWERS THIS. IF I WERE TO ASK YOU HOW WELL OR HOW STRONG DO YOU BELIEVE YOUR ABILITY TO COMMUNICATE WITH US THE RESULTS OF ANALYSIS AND WHAT THE IMPACT OF THAT IS ON A BUDGET, ON A FUND. YOU KNOW, THE LONGER TERM LOOK AT A GIVEN REVENUE STREAM OR OTHERWISE?

Lee Guillory: MAYOR LANE AND COUNCIL MEMBERS I'M IN TOTAL AGREEMENT THAT FOR FINANCIAL ANALYSIS TO BE USEFUL, FIRST OF ALL THE NUMBERS, THE BASIS BEHIND IT YOU NEED TO BE ACCURATE AND YOU NEED TO KNOW ALL THE INFORMATION IN ORDER TO ANALYZE IT AND MAKE AN ASSUMPTION FROM IT. THE FIRST STEP IS TO MAKE SURE THE INFORMATION IS ACCURATE AND IT'S

AVAILABLE AND THE PROCESS OF ANALYZING IT BEGINS AND IT COULD BE FORECASTING IT OR JUST SEEING THE IMPLICATIONS ON VARIOUS FUNDS. GIVEN THAT, COMING UP WITH THE CORRECT RESULTS IF THEY'RE NOT COMMUNICATED PROPERLY IS NOT A USEFUL PROCEDURE. I HAVE HAD MANY YEARS OF WORKING DIRECTLY WITH THE FORMER CITY TREASURER OR THE FORMER FINANCIAL SERVICES GENERAL MANAGER AND I'VE SEEN DIFFERENCES IN TECHNIQUES OF RELAYING THIS INFORMATION TO DIFFERENT TYPES OF PARTIES. WHETHER IT BE COUNCIL AND I'VE LEARNED WHAT WORKS BEST AND DOESN'T.

Mayor Lane: I WOULD ADD ONE THING. THAT I SUPPOSE IS THROUGH THE ANALYSIS AND COMING TO A CONCLUSION AND BEING ABLE TO COMMUNICATE WHAT THE IMPACT OF THE CONCLUSIONS MIGHT BE BASED UPON PROFESSIONAL JUDGMENTS.

Lee Guillory: CERTAINLY.

Mayor Lane: ONE OTHER ITEM I SUPPOSE THAT AND I THINK PROBABLY IT HAS REALLY BEEN COVERED BY OTHERS. I'M GOING TO LET THAT ONE GO. ANYWAY, THANKS SO VERY MUCH FOR ANSWERING THE QUESTIONS AND PRESENTING YOURSELF HERE TODAY FOR US.

Lee Guillory: THANK YOU VERY MUCH.

[Time: 00:42:22]

Bruce Davis: MAYOR AND MEMBERS OF THE COUNCIL, THIS IS OUR FINAL CANDIDATE, MR. JEFFREY NICHOLS. HE HAS OVER 25 YEARS OF EXPERIENCE IN GOVERNMENT FINANCE, PROCUREMENT AND ADMINISTRATION. HE'S THE CHIEF FINANCIAL OFFICER AND VICE PRESIDENT OF THE SCOTTSDALE CULTURAL COUNCIL. PRIOR TO THAT HE HELD POSITIONS WITH THE CITY OF SCOTTSDALE AS THE ACCOUNTING DIRECTOR AND SENIOR BUDGET ANALYST. FOR PIMA COUNTY HE HELD THE TITLE OF DEPUTY DIRECTOR AND CONTROLLER FOR THE REGIONAL WASTEWATER AND RECLAMATION DEPARTMENT, AND FOR THE CITY OF TEMPE AS AN ACCOUNTANT AND SENIOR MANAGEMENT ASSISTANT. HIGHLIGHTS OF HIS CAREER INCLUDE BEING PART OF A TEAM IN PIMA COUNTY THAT DEVELOPED A REGIONAL OPTIMIZATION MASTER PLANNING PROCESS LEADING TO A BONDING AND CAPITAL REPLACEMENT PLAN OF APPROXIMATELY \$565 MILLION. THIS EFFORT WAS NOTABLE BECAUSE IT WAS ACCOMPLISHED DURING THE ECONOMIC RECESSION. MR. NICHOLS HAS A BS/BA DEGREE FROM CENTRAL MICHIGAN UNIVERSITY, AN ASSOCIATE OF ARTS DEGREE FROM MUSKEGON COMMUNITY COLLEGE AND IS A REGISTERED CERTIFIED PUBLIC ACCOUNTANT.

Mayor Lane: THANK YOU MR. DAVIS. MR. NICHOLS, WELCOME.

Jeff Nichols: THANK YOU, SIR.

Mayor Lane: PROCEED AT WILL.

[Time: 00:44:06]

Jeff Nichols: HONORABLE MAYOR, HONORABLE MEMBERS OF COUNCIL, THANK YOU VERY MUCH FOR THIS OPPORTUNITY. I'M HUMBLD TO BE STANDING BEFORE YOU TO BE CONSIDERED FOR THIS

POSITION FOR THE CITY OF SCOTTSDALE. I WANT YOU ALL TO UNDERSTAND THAT. ONE THING THAT WASN'T MENTIONED IN THE INTRODUCTION THAT KIND OF LAID A PLATFORM FOR ME THROUGHOUT MY WORKING LIFE IS I WAS IN THE UNITED STATES MARINE CORPS FOR FOUR YEARS. GOT IN IT RIGHT AFTER HIGH SCHOOL, WENT INTO IT SO I COULD GO TO COLLEGE AND IT KIND OF GAVE ME A BASE AND THE PRINCIPLES THAT WOULD GUIDE ME IN MY ENDEAVORS LATER IN LIFE. HOW I WOULD ACT AS A PERSON AND CARRY MYSELF AND REPRESENT MYSELF AND THE PEOPLE THAT I REPRESENTED. AS WAS MENTIONED AT THE CITY OF TEMPE I WAS AN ACCOUNTANT AND AN ACCOUNTANT TWO AND A SENIOR MANAGEMENT ASSISTANT IN TEMPE. ONE OF THE FIRST BIG ACCOMPLISHMENTS I HAD WAS I WAS ASSIGNED, FROM A GENERAL LEDGER STANDPOINT, THE WAY I COULD EXPLAIN IT TO YOU WAS ALL THE TRANSPORTATION PROJECTS FOR THE CITY OF TEMPE HAD ONE COST CENTER AND A SUB LEDGER SYSTEM WHERE THE PUBLIC WORKS DEPARTMENT, THE ENGINEERING SECTION OF THE PUBLIC WORKS DEPARTMENT, KEPT A SUB LEDGER SYSTEM THAT WE THEN HAD TO RECONCILE TO THE GENERAL LEDGER. I SAID THIS IS JUST, FIRST OF ALL I CAN'T IMAGINE THE SYSTEM AND WHY ARE WE DOING IT? WHY DON'T WE TAKE CONTROL OF THE FINANCIAL ASPECTS OF THE CAPITAL IMPROVEMENT PROGRAM? THEY SAID OKAY, GOOD LUCK. THAT'S YOUR ASSIGNMENT. GO AHEAD AND WORK WITH ENGINEERING. AS YOU CAN IMAGINE THE PEOPLE IN ENGINEERING LIKED THE SYSTEM THE WAY IT WAS BECAUSE THEY COULD MOVE THE MONEY AROUND. EVERYTHING WAS FUNDABLE AND ALL WAS REPORTED AT ONE LUMP SUM, BOTH THE APPROPRIATIONS AND THE EXPENSES.

[Time: 00:46:16]

I WENT DOWN IN AND WORKED OVER A PERIOD OF TIME. SOMETIMES THROUGH DIFFICULT NEGOTIATIONS AND FINALLY BASICALLY SET UP A SYSTEM THAT MIRRORS THE SYSTEM THAT'S USED HERE IN SCOTTSDALE. WHENEVER ANY INDIVIDUAL CAPITAL PROJECT IS SET UP, THAT CAPITAL PROJECT GETS A COST CENTER NUMBER AND ITS APPROPRIATION AND EXPENSES ARE CHARGED TO THAT PROJECT. IT MAKES IT MUCH EASIER IF YOU'RE FOLLOWING BOND DOLLARS OR IF YOU'RE FOLLOWING GENERAL FUND DOLLARS OR TRANSPORTATION DOLLARS TO ENSURE THAT YOU'RE NOT ONLY CARRYING OUT WHAT COUNCIL IS GIVING YOU BUT YOU'RE ALSO DOING THINGS LEGALLY AS FAR AS THE SPENDING OF THOSE FUNDS. THAT THEY WERE SPENT FOR BONDS FOR WHAT VOTERS APPROVE. THAT WAS A BIG ACCOMPLISHMENT EARLY ON IN MY CAREER AT THE CITY OF TEMPE. WHEN I LEFT ACCOUNTING, I WENT DOWN TO THE FIELD SERVICES OFFICE. FIELD SERVICES DIVISION AND THE ONE THING ABOUT IT THAT REALLY HELPED ME BY GOING OUT TO FIELD SERVICES AND BEING IN AN OPERATING DEPARTMENT IS ALL OF A SUDDEN I SAW HOW ALL THE ADMINISTRATIVE POLICIES AND REQUIREMENTS WE WERE SETTING UP IN ACCOUNTING AND BUDGET AFFECTED OPERATING DEPARTMENTS. SOME OF THEM DIDN'T MAKE ANY SENSE. AS A MATTER OF FACT, IT CREATED INEFFICIENCIES FOR THOSE DEPARTMENTS IN COMPLETING THEIR ASSIGNMENTS. IN THE FIELD SERVICES DIVISION I ASSISTED IN THE PARKS MAINTENANCE AND GOLF COURSE MAINTENANCE. THEY WERE RESPONSIBLE FOR FACILITY AND CUSTODIAN MAINTENANCE, STREET MAINTENANCE. SO I GOT TO UNDERSTAND ALL OF THOSE FUNCTIONS AND HOW THE ACTUAL SERVICES THAT WE'RE PROVIDING TO CITIZENS AND OUR OFFICE WAS ONE CITIZENS KNEW VERY WELL. THEY WOULD CALL THEM ANY TIME THEIR REFUSE WASN'T PICKED UP OR SAW AN ACCIDENT HAPPENED TO REPORT THE TRASH IN THE STREET. THE ONE THING I ACCOMPLISHED EARLY ON WHAT I HEARD FROM THE THREE SUPERINTENDENTS THAT OVERSAW THESE AREAS WAS THAT THE BUDGET WAS A REAL PAIN TO THEM. THEY LOOKED AT IT AS A NEEDED TO DO OR HAD TO DO. I DIDN'T THINK THEY WERE DOING A GOOD JOB OF IT AND YET THEY WERE COMPLAINING THAT IT WAS THE ONE THING EVERY YEAR THEY

DREADED DOING. I OFFERED I CAN DO YOUR BUDGETS FOR YOU. THEY SAID HOW DO YOU KNOW WHAT WE NEED? WELL, I CAN BASE THE NEEDS OF YOUR BUDGET, I CAN PUT SOMETHING TOGETHER BASED OVER YOUR HISTORICAL SPENDING PATTERNS AND PUT THAT DATA IN A SPREAD SHEET AND CREATE YOUR BUDGET. WE KNOW WHAT THE ALLOCATION IS THE CITY IS GIVING US AND YOU CAN REVIEW IT AND TELL ME IF I'M ON THE MARK OR MOVE FUNDING AROUND IN A DIFFERENT WAY. THE ONE THING I GOT OUT OF THIS EXERCISE IN DOING THIS FOR THEM IS THE NEXT THING I KNOW WE CAME TO OUR FIRST, WE CAME TO THE NEXT BUDGET YEAR AND ALL OF A SUDDEN I GOT WORD FROM THE CENTRAL BUDGET OFFICE AND THEY SAID WELL, YOU CAN INCREASE YOUR BUDGET BY 5%. I WAS LIKE OKAY. I DIDN'T WANT TO ASK THE QUESTION BECAUSE I WORKED IN AN OPERATING QUESTION. YOU DIDN'T EVEN ASK IF I NEEDED THE 5%. THERE WAS NO ANALYTICS TO SEE IF IT WAS NEEDED FOR US TO COMPLETE THE MISSION OF THE DEPARTMENT, OF THE DIVISION. WE HAD AN ELECTRICAL BUDGET OF ALMOST \$1.2 MILLION FOR THE WHOLE CITY AND ONLY SPENT APPROXIMATELY \$900,000 OF THAT MONEY. YOU'RE TELLING ME FOR THE NEXT YEAR I GET ANOTHER 5% AND I DIDN'T EVEN NEED THE \$1.2 MILLION TO MEET THE NEEDS OF OUR DIVISION. I FOUND IT ODD, AND I'D MENTIONED TO MOST OF YOU TUESDAY NIGHT, AND MR. BEHRING EXPLAINED TO YOU, THE PIE IS ONLY SO BIG HERE IN THE CITY.

[Time: 00:50:34]

SO EITHER WE HAVE TO, IF YOU HAVE OTHER POLICY ISSUES OR NEEDS THAT NEED TO BE ADDRESSED WE EITHER HAVE TO GROW THE PIE OR DO A REDISTRIBUTION OF THE PIE. THERE MIGHT BE ANALYTICS THAT COULD GO IN THE BUDGET PROCESS TO LOOK AND PERHAPS IT'S NOT AN ACROSS THE BOARD INCREASE FOR DEPARTMENTS. PERHAPS WE ANALYZE THE BUDGETS AND SEE WHAT THEY NEED IN ORDER TO ACCOMPLISH THEIR MISSIONS. THESE ARE THINGS IT'S THE CITY MANAGER'S RESPONSIBILITY TO BRING FORTH THE BUDGET. IT'S THINGS WE CAN DISCUSS WITH THEM. THEN I WENT FROM THE FIELD SERVICES AT THE CITY OF TEMPE AND CAME TO SCOTTSDALE FOR THE FIRST TIME SEPTEMBER 10, 2001, AND I WORKED IN THE BUDGET DEPARTMENT AND I WAS THE CIP BUDGET ANALYST. IT HAD A DIFFERENT NAME BUT THAT'S WHAT I WAS DOING FROM BOTH A BUDGETING AND ACCOUNTING STANDPOINT. YOU KNOW WHAT HAPPENED SEPTEMBER 11, 2001, AND IT CHANGED THE MAKEUP OF OUR FIVE YEAR FINANCIAL FORECAST DRAMATICALLY. I MEAN ALMOST IMMEDIATELY WE SAW REVENUES GOING MUCH LOWER THAN ANTICIPATED IN THE BUDGET. WE KNEW WE HAD AN IMMEDIATE PROBLEM. HOW WERE WE GOING TO ADDRESS THIS? ALSO HOW LONG WAS IT GOING TO TAKE TO RECOVER FROM THIS? ALL INDICATIONS WERE THAT IT WOULD BE A CHANGE MAYBE OF TWO TO THREE YEARS IN TIMING. SO THE CITY MANAGER REACHED OUT TO THE FINANCE DEPARTMENT AND SAID I DON'T WANT TO MAKE A PERMANENT CHANGE TO WHAT MAY BE A TEMPORARY SOLUTION.

[Time: 00:52:16]

WE MAY COME OUT OF THIS SOONER. HOWEVER, IF THE REVENUE STAYS THIS FLAT WE CAN'T FUND OUR OPERATING BUDGET. DO YOU HAVE ANY SOLUTIONS? CRAIG CLIFFORD REACHED OUT TO ME AND I TOLD HIM I COULD DO A CASH NEEDS ANALYSIS. AT THE TIME WE WERE ALMOST FULLY FUNDING EVERY GENERAL FUND CIP PROJECT WITH CASH. IF A PROJECT WAS IN THE BUDGET IT HAD THE CASH BEHIND IT TO BUILD IT. I SAID THE PIPELINE IS ONLY SO BIG TO GET THE PROJECTS THROUGH. WE CAN'T PUSH THEM THROUGH AS QUICK AS WE'RE SAYING IN THE BUDGET. WE CAN CUT BACK A LITTLE BIT ON THE FUNDING, NOT AFFECT THE GENERALLY FUNDED CIP PROJECT AND

STILL GO FORWARD AND BUILD THEM IN A TIMELY FASHION AND HELP ON THE OPERATING SIDE AND DEFER A LITTLE FUNDING TO THE OPERATING BUDGET AND SO THE CITY MANAGER DOESN'T HAVE TO REDUCE SERVICES UNNECESSARILY. SO I THINK IT WAS A WIN, WIN SITUATION. WHEN IT STARTED CLIMBING OUT THEY INCREASED THE APPROPRIATION FROM THE GENERAL FUND TO THE GENERAL FUND CIP. I THINK YOU'RE AWARE THAT'S FAIRLY LOW RIGHT NOW AND NEEDS TO BE ADDRESSED GOING FORWARD. I LEFT THE CITY OF SCOTTSDALE AND WENT TO WORK IN PIMA COUNTY. I WAS A MAJOR PLAYER IN THE REGIONAL OPTIMIZATION MASTER PLAN. I WAS OVER THE FINANCE AND ACCOUNTING AND PROCUREMENT OF THE DEPARTMENT, WHICH WAS ABOUT 550 FTE'S WITH AN OPERATING BUDGET IN EXCESS OF \$100 MILLION. I ALSO OVERSAW THE RISK MANAGEMENT AREA OF THAT DEPARTMENT AND THE HUMAN RESOURCES MANAGEMENT. ALL THE ADMINISTRATIVE FUNCTIONS WITHIN THE DEPARTMENT. THE OTHER THING, SO I WAS DOWN THERE FOR SIX YEARS. PROBABLY THE ONE THING THAT I LEARNED DOWN THERE IS WHAT YOU CAN DO WHEN YOU HAVE A TEAM THAT WILL ALL WORK TOGETHER TO ACCOMPLISH A GOAL. WE HAD A GREAT TEAM IN THE WASTEWATER MANAGEMENT DEPARTMENT. WE ALL PULLED IN THE SAME DIRECTION AND WE TOOK THAT DEPARTMENT AND DID THAT PLANNING PROCESS IN THE WORST ECONOMIC TIMES SINCE THE GREAT DEPRESSION. I WAS PROUD OF THOSE ACCOMPLISHMENTS. FINALLY I CAME BACK TO SCOTTSDALE IN 2010. IT WAS MY SECOND TIME HERE AND I CAME BACK AS THE ACCOUNTING DIRECTOR OVER IN THE CITY TREASURER'S OFFICE. I WAS IN CHARGE OF THE GENERAL LEDGER, THE ACCOUNTS PAYABLE, PAYROLL AREA, FIXED ASSET, THE DEBT AND AUDIT OF KEEPING THE BOOKS OF RECORD FOR THE CITY OF SCOTTSDALE ACCOUNTING WISE.

[Time: 00:55:07]

EARLY ON ONE OF THE ASSIGNMENTS I HAD WAS ASSISTING DAVID WITH ANALYZING THE RETIREMENT INCENTIVE PROGRAM INSTITUTED BY THE CITY OF SCOTTSDALE AND THE LIABILITY THAT ASRS SAID WE CREATED FOR THEM. WE COULD NOT MAKE SENSE OF THIS. WE TRIED TO RUN ALL THE DATA. WE HAD ALL THE PERSONNEL DATA AND THE PAY DATA AND YEARS OF SERVICE AND WE COULDN'T DUPLICATE WHAT THEY SAID WE OWED THEM. DAVID WITH THE HELP OF BRUCE WASHBURN, MYSELF WE MET WITH ASRA OFFICIALS. THEY WENT TO LITIGATION. THEY SUED US. WE SUED THEM. I THINK A GOOD AGREEMENT WAS REACHED AND A GREAT DEAL OF MONEY WAS SAVED FOR THE CITY OF SCOTTSDALE AND ITS TAXPAYERS. FINALLY THE, SOME OF THE OTHER ISSUES, I WAS THE PUBLIC FACE OF, WITHIN THE CITY TREASURER'S OFFICE, WAS THE RETIRE HEALTH INSURANCE CHANGES AND THE OVERTIME COMPENSATION. THESE WERE VERY DIFFICULT ISSUES. ANY TIME YOU'RE TRYING TO CHANGE THE CULTURE OF AN ORGANIZATION OR GOING IN A DIFFERENT DIRECTION REGARDLESS OF THE PROMISES MADE OR NOT MADE IN THE PAST AND YOU HAVE TO TALK WITH THE PUBLIC YOU NEED TO BE FRANK AND YOU NEED TO BE HONEST. YOU NEED TO EXPLAIN WHY YOU'RE DOING SOMETHING AND I REALLY FELT THAT I CARRIED THAT VERY WELL BECAUSE I TRULY BELIEVED WHAT WE WERE DOING WAS THE RIGHT THING FOR THE CITY.

[Time: 00:56:47]

FINALLY, I'M THE CFO FOR THE SCOTTSDALE CULTURAL COUNCIL. THE ONE THING THAT'S REALLY GIVEN ME IS THE KNOWLEDGE OF WHAT IT MEANS TO BE A CFO. IT IS A DIFFERENT PERSPECTIVE THAT YOU HAVE TO HAVE FOR THE WHOLE ORGANIZATION. THE ONE CHANGE THAT WE DID TO TRY AND SAVE MONEY AND OVER THERE THIS YEAR THAT WASN'T VERY POPULAR BUT I ADVOCATED WAS WE SWITCHED OUR HEALTH INSURANCE PLAN TO A HIGH DEDUCTIBLE HEALTH PLAN WITH A HEALTH

SAVINGS ACCOUNT TO IT. WE SAVED APPROXIMATELY \$50,000 DOING THAT. BUT AGAIN, IT'S A SHIFTING OF COST. IT'S NOT VERY POPULAR. HOWEVER, I HAD TO THINK OF THE CORPORATION ITSELF. NOT MYSELF AND CERTAINLY I WANTED TO TAKE CERTAIN THINGS INTO ACCOUNT BUT I'M THINKING ABOUT THE LONG TERM INTEREST OF THE CORPORATION AND THAT'S THE KIND OF VIEWPOINT YOU NEED TO TAKE WHEN YOU'RE IN A JOB OF CFO. SO WHAT I'D LIKE TO LEAVE YOU WITH. I SEE I'M RUNNING OUT OF TIME HERE. THE BOTTOM LINE IS I UNDERSTAND WHAT THE POSITION OF THE CHIEF FINANCIAL OFFICER IS AND WHAT'S REQUIRED OF THAT POSITION. I ALSO UNDERSTAND THE OTHER CHARTER OFFICE POSITIONS AND THE CITY MANAGER OF THE CITY OF SCOTTSDALE AND WHAT HE'S TASKED WITH. I MET WITH HIM LAST FRIDAY. WE HAD A VERY OPEN DISCUSSION. I THINK PERSONALITY-WISE WE'RE ON THE SAME PAGE, WHICH IS GOOD. HE'S GOT A SENSE OF HUMOR. I HAVE A SENSE OF HUMOR. I THINK WE COULD WORK WELL TOGETHER. BE HONEST AND FORTHRIGHT AND WORK TOGETHER TO ACCOMPLISH THE POLICIES AND GOALS OF THIS GOVERNING BODY. MAKE NO MISTAKE ABOUT IT, YOU ARE THE ONLY PEOPLE IN THE CITY THAT SET POLICY FOR THIS CITY AND THE CHARTER OFFICERS HELP YOU CARRY OUT THAT POLICY. WITH THAT, THANK YOU VERY MUCH FOR YOUR TIME AND I WOULD BE HAPPY TO TAKE ANY QUESTIONS.

Mayor Lane: THANK YOU, MR. NICHOLS AND WE WILL BE TAKING A LITTLE BIT OF TIME FOR QUESTIONS AND WE'LL START WITH VICE MAYOR KLAPP.

[Time: 00:59:01]

Vice Mayor Klapp: THANK YOU FOR TAKING US THROUGH YOUR LIFE'S JOURNEY. YOU DO KNOW THERE ARE TWO OTHER CANDIDATES AND THIS HAS BEEN A PUBLIC PROCESS AND YOU KNOW THEIR QUALIFICATIONS AND BACKGROUND AND EXPERIENCE. TELL ME BASED ON ALL YOU KNOW OF WHAT THEY DO AND WHAT YOU CAN DO WHY YOU FEEL YOU'RE THE BEST CANDIDATE.

Jeff Nichols: MR. MAYOR, COUNCILWOMAN KLAPP, I BELIEVE I'M THE BEST PERSON FOR THIS POSITION. IN MY WORK HISTORY I'VE PERFORMED OR MANAGED OR FUNCTIONED EVERY POSITION IN THE CITY TREASURER'S OFFICE. I'VE WORKED IN ACCOUNTING, BUDGET AND I'VE HAD RISK MANAGEMENT UNDERNEATH ME AND I HAD A CUSTOMER SERVICE DEPARTMENT THAT DID THE BILLING. THE CITY OF TUCSON PROVIDES THE WATER AND A BUNCH OF LITTLE WATER COMPANIES IN THE OUTLYING UNINCOOPERATED AREAS. IF YOU'RE IN PIMA COUNTY YOU'RE ON SEPTIC OR SEWER. IF YOU'RE SEWER YOU'RE PIMA COUNTY SEWER. WE DID BILLING AND CUSTOMER SERVICE IN THAT AREA. THE ONLY AREA I REALLY DON'T HAVE A LOT OF EXPERIENCE IN IS SALES TAX, WHICH REPORTS DOWN TO CUSTOMER SERVICES. IT'S NUMBERS. I HAVE CERTAINLY BEEN INVOLVED IN THIS PROJECTION OF REVENUES REGARDING SALES TAXES. THE OTHER THING THAT I THINK I BRING IS SO THAT IS THE EXPERIENCE. MY EDUCATION IS ACCOUNTING AND I AM A CERTIFIED PUBLIC ACCOUNTANT. WE HAVE ANOTHER CERTIFIED PUBLIC ACCOUNTANT. THE OTHER THING I THINK I BRING IS MY PERSONALITY AND MY ABILITY TO BUILD RELATIONSHIPS. I THINK THAT'S GOING TO BE HUGE IN THIS POSITION. THE STAFF, THE CITY TREASURER'S STAFF KNOW ME. I'M NOT AN UNKNOWN TO THEM. IT'S NOT LIKE A STRANGER WALKING IN. LEE BRINGS THAT QUALITY IN AS WELL. HOWEVER, WHEN I LOOK AT ALL OF THOSE EDUCATIONAL, ALL OF THOSE WORK EXPERIENCES, THE PERSONALITY I JUST BELIEVE I'M A PERFECT FIT FOR THIS POSITION.

Vice Mayor Klapp: THANK YOU.

Mayor Lane: THANK YOU, VICE MAYOR. COUNCILMAN PHILLIPS?

Councilmember Phillips: THANK YOU, MAYOR. MR. NICHOLS, DO YOU HAVE EXPERIENCE ISSUING DEBT AND CAN YOU GIVE EXAMPLES?

Jeff Nichols: I DO NOT HAVE DIRECT EXPERIENCE ISSUING DEBT. I DO HAVE EXPERIENCE BUILDING A PROGRAM, A BOND PROGRAM, WHICH IS WHAT THE R.O.M.P. WAS. IT WAS BASICALLY AN 18-MONTH PLANNING PROCESS WHERE WE WENT TO THEN THE COUNTY BOARD OF SUPERVISORS AND SAID WE HAVE A BOND PROGRAM HERE. WE NEED \$565 MILLION IN DEBT. IN RESPONSE TO THAT I'M NOT SURE HOW AWARE YOU ARE REGARDING HOW THE CITY FUNCTIONS AS FAR AS DEBT IS, BUT THE ISSUANCE OF DEBT IS DONE BY LEGAL FIRMS. EVEN IF YOU'RE LOOKING AT OUR CURRENTLY OUTSTANDING DEBT. WE KEEP AN EYE ON THAT BUT THERE'S FIRMS LIKE A PIPER JAFFRAY. THERE'S COMPANIES WATCHING OUR DEBT CONSTANTLY. ANY TIME THEY SEE THE OPPORTUNITY FOR US TO SAVE MONEY THEY'LL COME FORWARD AND SAY HERE, WE CAN SAVE YOU MONEY. THAT'S HOW THEY MAKE THEIR MONEY. THEY'RE WATCHING ALL THE MUNICIPAL DEBT. I MEAN, WE COULD NOT HIRE STAFF WITHIN THE CITY TREASURER'S OFFICE TO ACTUALLY ISSUE DEBT. THERE WOULD BE NO REASON. YOU COULDN'T KEEP THEM EMPLOYED. SO IN REGARDS TO THE ISSUE ANSWER OF DEBT I UNDERSTAND IT AND CAN READ THROUGH A PERSPECTIVE AND I UNDERSTAND THAT. I COULDN'T WRITE THE DOCUMENTS. A LONG ANSWER TO YOUR QUESTION.

Councilmember Phillips: THANK YOU.

Jeff Nichols: YOU'RE WELCOME, SIR.

[Time: 01:03:16]

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: WOULD YOU DESCRIBE THE TREASURER'S ROLE IN POLICY DECISIONS AND GIVE AN EXAMPLE OF WHERE YOU INFLUENCED OR HELPED INFORM A POLICY DECISION?

Jeff Nichols: THE TREASURER'S ROLE IN A POLICY DECISION IS, IN MY, FIRST OF ALL, I DON'T THINK IT'S THE TREASURER'S ROLE TO SET POLICY. IF THE TREASURER HAS A ROLE IN A POLICY DECISION IT'S TO DO SOME ANALYTICS, SOME FINANCIAL ANALYTICS RELATED TO A DIRECTION THEY MAY BE CONSIDERING. IN DOING THAT, HE MAY MAKE A LIST OF ASSUMPTIONS SAYING LOOK IF YOU'RE GOING TO TAKE THIS ACTION FROM A FINANCIAL PERSPECTIVE, HERE'S WHAT I THINK THE RESULTS ARE GOING TO BE IN YEAR ONE, TWO, THREE, FOUR AND FIVE. THAT'S ASSUMING THESE ARE CORRECT. THERE MAY BE AN ANALYSIS DONE TO SAY IF THEY'RE INCORRECT AND AGAIN, GIVE YOU A RANGE OF THE VARIANCES, IF YOU WILL AND SAY IF THIS HAPPENS THEN HERE'S THE RESULTS. IF THINGS ARE BETTER THAN WE'RE EXPECTING, THEN HERE'S THE RESULTS. SO IT'S HIS RESPONSIBILITY FROM A FINANCIAL PERSPECTIVE TO BRING THIS INFORMATION FORWARD TO YOU SO YOU CAN MAKE A DECISION. NOW THAT ALSO HAS TO BE COUCHED WITH THE FACT THAT OFTEN TIMES YOU'RE MAKING DECISIONS THAT JUST AREN'T BASED ON DOLLARS AND CENTS. THERE'S OTHER ISSUES AND CONSIDERATIONS THE COUNCIL HAS TO TAKE WHEN MAKING A DECISION. SO I COULD CERTAINLY PLAY MY ROLE IN THAT. THEN IT'S NOT, THE ONE THING I WOULD SAY IS I NEED TO BE VERY CAREFUL. I SHOULD NOT USE THAT PROCESS TO TRY AND INFLUENCE THE POLICY DECISION YOU'RE GOING TO

MAKE. I MEAN, THAT'S UP TO YOU. I CAN HAVE STAFF RUN THE NUMBERS AND DO THE ANALYTICS AND PROVIDE FINANCIAL GUIDANCE, INDEPENDENT FINANCIAL GUIDANCE AND TELL YOU WHAT WE THINK. I SHOULDN'T TRY AND STEER THE POLICY IN CERTAIN DIRECTIONS. THAT'S THE COUNCIL'S JOB.

Councilwoman Milhaven: THANK YOU.

Jeff Nichols: YOU'RE WELCOME.

Mayor Lane: COUNCILMAN ROBBINS.

Councilman Robbins: THANK YOU, MAYOR. CAN YOU EXPLAIN HOW YOU RESOLVE A DISAGREEMENT BETWEEN YOURSELF AND ANOTHER CHARTER OFFICER AND HOW YOU WOULD COMMUNICATE THAT TO THE COUNCIL?

Jeff Nichols: THIS IS THE WEST'S MOST WESTERN TOWN. WE HAVE A LOT OF DIFFERENT CHOICES HERE. ON A SERIOUS NOTE AND THAT COMES FROM THE CONVERSATION EARLIER. IF THE CITY MANAGER AND I HAVE A DISAGREEMENT, THEN I NEED TO SIT DOWN WITH HIM AND WE SHOULD BE ABLE TO HAMMER THOSE OUT BETWEEN OURSELVES. NOW LET'S SAY FOR SOME REASON FROM A PROFESSIONAL STANDPOINT WE JUST CAN'T COME TO AN AGREEMENT, I THINK WE NEED TO AGREE TO DISAGREE AND WHAT WE NEED TO DO IS COME TO OUR BOSSES AND WE NEED TO LET YOU KNOW THAT WE DISAGREE AND WE NEED TO LET YOU KNOW WHY WE DISAGREE. AT THAT POINT, YOU CAN GIVE DIRECTION TO US BOTH AND TELL US WELL, CITY TREASURER, WE HEAR YOU BUT WE BELIEVE GIVEN THE FACTS THAT THE CITY MANAGER'S AVENUE OR WHATEVER, RECOMMENDATION IS MORE APPROPRIATE. I'M SORRY CITY MANAGER, BUT THE CITY TREASURER REALLY HAS VALID CONCERNS HERE. I DON'T KNOW IF YOU CUT THE BABY IN HALF. I DON'T KNOW IF YOU GIVE DIRECTION. ONE PERSON GETS THE BABY, THE OTHER DOESN'T. THAT'S THE WAY I LOOK AT IT BEING RESOLVED.

[Time: 01:07:06]

Councilman Robbins: THANK YOU.

Mayor Lane: THANK YOU. COUNCILWOMAN KORTE.

Councilmember Korte: THANK YOU, MAYOR. OUR CITY OF SCOTTSDALE DEFINES THE CITY TREASURER AS A CHARTER OFFICER AND OF COURSE REPORTS DIRECTLY TO THE CITY COUNCIL. THAT'S SOMEWHAT UNIQUE AMONGST MUNICIPALITIES. HOW DO YOU DEFINE THAT NUANCE?

Jeff Nichols: THE WAY I WOULD DEFINE IT AND I CAN EXPLAIN IT FROM EXPERIENCE. I WORKED WHEN I WORKED FOR THE CITY OF SCOTTSDALE THE FIRST TIME, I WORKED UNDER CRAIG CLIFFORD AS THE CHIEF FINANCIAL OFFICER. I KNEW THAT WE WERE PREPARING RESPONSES OR GATHERING INFORMATION RELATED TO ITEMS THAT WERE ON THE CITY COUNCIL AGENDA FOR CRAIG. THEN I KNEW HE WOULD WALK ACROSS THE STREET AND HE WOULD MEET WITH THE CITY MANAGER AND I DON'T KNOW WHAT TOOK PLACE IN THOSE MEETINGS. NOR SHOULD I. IT WAS NONE OF MY BUSINESS AT THAT POINT IN TIME. I KNEW THEN WHEN I WATCHED THE COUNCIL MEETING AT NIGHT I DIDN'T SEE ANY INFORMATION WE SPENT A LOT OF TIME GATHERING COMING FORTH. THAT PROCESS WAS KIND OF CONFUSING TO ME. WHEN I WORKED HERE THE SECOND TIME UNDER DAVID SMITH I SAW A

LOT MORE OPENNESS FROM A FINANCIAL STANDPOINT. I SAW MORE INFORMATION, FINANCIAL INFORMATION, BEING GIVEN TO THE COUNCIL THAT I THINK WASN'T GIVEN BEFORE. THE EXAMPLE I COULD USE IS THE RETIREMENT PROGRAM. THE RETIREMENT INCENTIVE PROGRAM. I DON'T KNOW WHY DECISIONS WERE MADE AND I'M NOT GOING TO MONDAY MORNING QUARTERBACK. THE BOTTOM LINE IS I THINK MORE INFORMATION SHOULD HAVE BEEN GIVEN TO COUNCIL AT THAT TIME BECAUSE WE MAY HAVE BEEN ABLE TO ACCOMPLISH THE SAME THING FOR LESS MONEY IF ALL THE INFORMATION HAD BEEN FORTHCOMING. I LOOK AT IT AS A MORE OPEN FORM OF GOVERNMENT. I THINK IT PROVIDES A CHECK AND BALANCE BECAUSE WHEN THE CFO REPORTS TO THE CITY MANAGER AND IF THE CITY MANAGER COMES OVER AND MEETS WITH THAT CITY MANAGER AND THE CITY MANAGER SAYS THANK YOU VERY MUCH. NOW GO BACK ACROSS THE STREET, NOT TOO MANY PEOPLE WILL BE WILLING TO COME IN THIS PUBLIC FORUM AND SAY WAIT A MINUTE I PROVIDED THIS INFORMATION TO THE CITY MANAGER AND IT'S NOT COMING FORWARD AND YOU NEED TO BE AWARE OF THAT. THAT WOULD BE A CAREER LIMITING OR ENDING MOVE ON THEIR BEHALF. I THINK IT LEADS TO MORE DISCUSSION, MORE INFORMATION FOR THE COUNCIL AND BETTER DECISION MAKING PROCESS.

[Time: 01:09:54]

Mayor Lane: THANK YOU COUNCILWOMAN. MR. NICHOLS YOU TALKED ABOUT SOMETHING NEAR AND DEAR TO MY HEART. THAT IS SORT OF A SENSE OF ACCOUNTABILITY. YOU MENTIONED IT WITH REGARD TO EXAMPLES IN THE PAST AT OTHER POLITICAL AGENCIES OR SUBDIVISIONS OF GOVERNMENT AND HERE. SPECIFICALLY AS IT RELATES TO SOMETHING THAT I RECOGNIZE THAT WE DO IN A FAR BETTER WAY NOW THAN WE MAY HAVE AT ONE TIME. THAT IS THE ALLOCATION OF FUNDS AND THE ACCOUNTABILITY OF THOSE THINGS. YOU USED AN EXAMPLE OF IT BEING AGGREGATED AND LACK OF TRANSPARENCY IN WHATEVER THE COUNCIL ALLOCATED TO THOSE PROJECTS. IT'S AN IMPORTANT FACTOR. FROM THE STANDPOINT FROM A QUESTION THAT I'VE RUN BY THE OTHERS AT DIFFERENT TIMES. IT REALLY GOES TO THE TRANSPARENCY OF PROFESSIONAL ADVICE. I THINK YOU ALSO TOUCHED ON AN INTERESTING AREA AND I DON'T KNOW IF I CAN FRAME THIS UP INTO A QUESTION OR NOT. I'M GOING TO TRY. THE COMMUNICATION AND AGAIN, THIS MAY BE A BIT OF AN ACCUMULATION OF SOME OF WHAT YOU'VE ALREADY SAID. YOU'VE COVERED A LOT OF GROUND AS FAR AS I'M CONCERNED. THIS POSITION IS NOT TO SET POLICY BUT IT IS TO MAKE SURE THERE'S TRANSPARENCY OF INFORMATION COMING TO THIS BODY SO WE HAVE THE TOOLS NECESSARY TO DELIBERATE AND DISCUSS AND MAKE A DECISION IN THE BEST POSSIBLE WAY WE COULD. SO THE COMMUNICATION OF ANALYTICAL CONCLUSIONS AND WHAT THE RESULTS OR THE IMPACTS OF THOSE ARE, WE GET SOME KIND OF SUMMARY OF THAT RIGHT NOW IN THE COUNCIL REPORT. IT'S AN AREA THAT I'VE THOUGHT AND WE'VE ACTUALLY REFINED IT TO MAKE IT TO BE MORE DISCLOSING BUT IT'S AN AREA THAT I THINK IS VITALLY IMPORTANT FOR US. IT GETS DOWN TO THE COMMUNICATION OF THAT IN A COUNCIL REPORT WHERE THE PUBLIC WOULD BE SEEING OUR COUNCIL REPORT, THE INFORMATION WE'RE DEALING WITH SO THEY KNOW WHY WE'RE MAKING A DECISION ONE WAY OR ANOTHER. VERSUS THE IDEA OF HASHING IT OUT AHEAD OF TIME. IF A COMPROMISE, IT STILL DOESN'T COMPROMISE THEIR PROFESSIONAL ADVICE, THAT'S FINE. WORKING IT OUT BEFORE BRINGING IT TO US IS GOOD AS LONG AS WE'RE GIVEN THE INFORMATION OF HOW WE DEVELOPED THAT THOUGHT TOO ON A PROFESSIONAL STAFF SIDE. I WILL ASK, IS THERE SOME REFINEMENT, IS THERE SOME APPROACH THAT YOU WOULD WANT TO SPEAK ABOUT, A PERSONAL ATTRIBUTE OR PRACTICE THAT YOU WOULD BRING THAT WOULD ENHANCE THE COMMUNICATION OF

CONCLUSIONS AND RESULTS AND IMPACTS IN A PUBLIC FORUM WITHOUT CREATING ANGST, ANGER OR CONFRONTATION BUT CLEARLY COMMUNICATING?

Jeff Nichols: MR. MAYOR, I THINK IN THIS POSITION AS THE CITY TREASURER FOR THE CITY OF SCOTTSDALE AND THE CHIEF FINANCIAL OFFICER I HAVE TO BE WILLING TO DO THAT. I UNDERSTAND WHAT YOU'RE SAYING. I WAS FOLLOWING YOUR CONVERSATION. BOTTOM LINE IS THE WAY THAT I VIEW IT IS I HAVE TO BE WILLING TO DO THOSE ANALYTICS. AS I SAID THEY SHOULDN'T STEER POLICY. WE TALK ABOUT IT IN THE BACK ROOM THEY'LL BE TIMES WHEN I NEED TO ASK OR DIRECTION OR I NEED TO DETERMINE MYSELF WITH THE CITY MANAGER OR ATTORNEY DO I NEED TO GET UP HERE AND MAKE SURE THAT THE PUBLIC UNDERSTANDS MY FINANCIAL POSITION AND THE REASON I'M OPINING ON AN AGENDA ITEM THE WAY I AM? THE OTHER THING I THINK IS CRITICALLY IMPORTANT IN THIS POSITION IS THE AGENDAS THEMSELVES. EACH INDIVIDUAL ITEM. I MEAN, THERE IS A PLACE IF THEY HAVE A FINANCIAL IMPACT THERE'S A PLACE FOR MY SIGNATURE AND AS I DISCUSSED WITH EACH ONE OF YOU, I WOULD NOT WANT TO SIGN ANYTHING BECAUSE I THINK, IF I'M NOT IN AGREEMENT WITH WHAT IS BEING BROUGHT FORTH TO THE COUNCIL. IF I CAN'T VALIDATE THE FINANCIAL INFORMATION IN THAT ITEM OR REPRODUCE THE RESULTS THEY SAY THEY'RE GETTING WITH THEIR ANALYTICS. IF MY STAFF CAN'T CORROBORATE WHAT THEY'RE TELLING YOU MY SIGNATURE SHOULDN'T BE ON THE BOTTOM OF THAT AND THAT SHOULD BE A SIGN THAT WAIT A MINUTE THE CITY TREASURER DOESN'T AGREE WITH THAT AND A POSITION PAPER ATTACHED TO THAT AND THOSE ARE THE ITEMS I GET UP AND EXPLAIN TO YOU WHY I DIDN'T SIGN THAT DOCUMENT. I DO FEEL WHEN I SIGN THAT DOCUMENT AND I KNOW YOU ALL READ THE MATERIALS BUT IT SHOULD BE A SIGN TO YOU I'VE READ THE MATERIALS AND FROM A FINANCIAL STANDPOINT MYSELF AND MY STAFF BECAUSE THEY SUPPORT ME ARE IN AGREEMENT WITH WHAT'S BEING PRESENTED TO YOU. IF I DON'T I OWE IT TO THE GOVERNING BODY TO LET YOU KNOW THAT.

[Time: 01:15:37]

Mayor Lane: WELL, THANK YOU FOR THE PRESENTATION AND FOR THE ANSWERING OF OUR QUESTIONS. I VERY MUCH APPRECIATE IT AND I KNOW THE COUNCIL DOES AS WELL. THANK YOU FOR BEING HERE THIS EVENING.

Jeff Nichols: THANK YOU ALL VERY MUCH. I APPRECIATE THE OPPORTUNITY.

Mayor Lane: WE HAVE COMPLETED THE INTERVIEWS OF THE TREASURER CANDIDATES AND THE PRESENTATION AND THE INTERVIEW. WITH THAT COMPLETED, THERE MAY BE SOME DETERMINATIONS OF TERMS, CONDITIONS AND OTHERWISE WE WOULD LIKE TO CONSIDER IN OUR EXECUTIVE SESSION. IF THERE IS A MOTION TO MOVE TO EXECUTIVE SESSION I WOULD ENTERTAIN IT NOW.

RECESS TO EXECUTIVE SESSION

[Time: 01:16:45]

Councilman Robbins: I WOULD LIKE TO MOVE THE COUNCIL ADJOURN TO EXECUTIVE SESSION.

Councilmember Korte: SECOND.

Mayor Lane: WE'RE PREPARED TO VOTE ON THE MOTION TO MOVE TO EXECUTIVE SESSION. PLEASE INDICATE BY AYE AND REGISTER YOUR VOTE OR NAY IF YOU OPPOSE. WE WILL THEN MOVE INTO EXECUTIVE SESSION. THANK YOU VERY MUCH.

RECONVENE SPECIAL MEETING

[Time: 01:17:46]

Mayor Lane: I'M GOING TO GO AHEAD AND RECONVENE OUR SPECIAL MEETING AS WE'RE RETURNING FROM EXECUTIVE SESSION. THE SPECIAL MEETING WAS IN REFERENCE TO CITY TREASURER CANDIDATES AND INTERVIEWS. HAVING COMPLETED THAT, I THINK WE HAVE MADE SOME, WE'RE GOING TO BE MAKING A MOTION AND I WOULD CALL UPON COUNCILMAN ROBBINS TO MAKE A MOTION.

Councilman Robbins: I MOVE THAT EFFECTIVE 10-14-2013 THAT JEFF NICHOLS BE RETAINED AS THE CITY TREASURER AT THE SALARY OF \$140,000 AND THE BENEFITS AVAILABLE TO CITY EMPLOYEES AND THE CITY MANAGER BE DIRECTED TO BRING BACK A CONTRACT TO THE COUNCIL WITH THESE TERMS.

Mayor Lane: A MOTION HAS BEEN MADE AND SECONDED. ANY REQUEST TO BE MADE? WE'RE THEN READY TO VOTE. ALL THOSE IN FAVOR PLEASE INDICATE BY AYE AND THOSE WITH A NAY. AYE'S HAVE IT, 5-2 WITH COUNCILMAN LITTLEFIELD AND PHILLIPS OPPOSING. THAT COMPLETES THE BUSINESS OF OUR SPECIAL MEETING. SO WE ARE NOW I WOULD ONLY JUST SAY CONGRATULATIONS TO MR. NICHOLS AND WELCOME ABOARD AND WE LOOK FORWARD TO CONTINUING PROGRESS IN OUR AREA OF TREASURER AND OUR ACCOUNTING AREA, OUR FINANCE AREA.

ADJOURN SPECIAL MEETING

[Time: 01:19:18]

Mayor Lane: SO WITH ALL OF THAT, WE, I WILL ACCEPT A MOTION TO ADJOURN THIS SPECIAL MEETING. MOTION TO ADJOURN HAS BEEN SECONDED BY.

Vice Mayor Klapp: SECOND.

Mayor Lane: ALL THOSE IN FAVOR OF ADJOURNMENT PLEASE INDICATE BY AYE. WE'RE ADJOURNED ON THIS SPECIAL MEETING.